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EUROPE UNABLE TO BUY CANADA'S STOCKS OF FISH

Evidence of the Depressed Buying Power of the People

CONFIDENCE RENEWED

West Entering Upon Another Crop Season With Confidence—Exchange Improved

The effect of the curtailed buying power of the people in Europe upon Canadian export trade could be no more effectively shown than in regard to the fishing industry of the maritimes. When it might be expected that fish, being a comparatively cheap food, would find increased consumption in European countries, the contrary appears to be the case so far as the Canadian product is concerned. Halifax reports conditions going from bad to worse. Both fishermen and exporters are discouraged with the warehouses still blocked with the products of last year's catch. Not only are the markets of Portugal, Italy and other countries demanding the cheaper grades of locally-cured products, or those of Scandinavia, but such is the reduction in consumption that Norwegian products are being shipped to compete with Canadian fish in Jamaica and Porto Rico. Newfoundland is suffering acutely in a business way from this situation in the fish markets. There is a shortage of current funds owing to large stores of unmarketed fish and the outlook is anything but cheerful until improved European buying is assured.

It is this same curtailed buying power of European countries which is responsible for the comparative depression in the agricultural industry in America. Take an individual farm or an individual factory, depending on marketing its products with a foreign customer, which found that that customer was without money or credit, and you have an illustration of what has happened on a larger scale with regard to our farm and some other products which we export. This was emphasized in a recent address by Sir Joseph Flavelle, in which he referred to conditions in agriculture in Canada and particularly in the Canadian West. Sir Joseph, however, referred to this situation as a temporary one, and he declared there was no reason for blue-ruin talk when the development of the Western provinces and of Canada as a whole was considered as an index of what the future held.

Better Agricultural Outlook

For the time being business men will look at the European exchange rates as an indicator of buying power in relation to the export market for manufactured as well as agricultural products. In this connection, the adjustment of the basis of settlement between Great Britain and the United States has been a long step forward and has been reflected in a further rise in the value of the pound as well as improvement in some of the European currencies. This should tend to improve the export market for wheat and other products. It should also bring in more outside capital for farm loans. The West is facing the situation with increasing optimism. "Prospects for 1923 in Western Canada are improving," says A. M. Smart, president of the Ontario Loan Company.

Liabilities have been liquidated as a result of the 1922 crop. Then the farmers either have seed grain at the present time or will be able to secure this at about $1.10 a bushel, rather than at the rate which has obtained in recent years of $2.30 or $2.50.

The Industrial Situation

The industrial situation continues its gradual improvement in Canada, with a decline in unemployment, which indicates an increasing shortage of workers and a rise in wages which is certain to affect the cost of living and seems likely to bring on inflation, which will tend to make the period of prosperity short-lived. This inflation is regarded as being actually under way in the United States and it is referred to by such students of international finance as Rt.-Hon. Reginald McKenna as being responsible for a decline in the buying power of the American dollar which has, in turn, brought about an advance in the value of the pound.

In the steel and general metal trades there is increased activity reported from such centres as Hamilton. In the textile industry the situation is good with wholesalers reporting that consuming demand promises to continue on a very fair basis. In lumbering in the East a big season is anticipated although it is not yet known to what extent the heavy snow-fall has interfered with operations in the woods; prices for export have shown some tendency to shade off on British markets owing to the fact that favorable weather has permitted imports from Northern Europe. Coal production in Nova Scotia is on a high basis. The pay roll at Glace Bay is running as high as $140,000 a week, and the production figures, touching 15,000 tons, are exceeding the records established in the 1913-16 period.

Paternalism Costs Millions to Alberta

From Our Own Correspondent.

EDMONTON.—The announcement by the provincial government that the seed grain relief system is to be abandoned has been received with general approval in business circles. It has been felt for some time that there was danger of developing an excessive government paternalism and that to continue the various forms of state aid would be only to invite requests for more.

To the end of 1922 the total net advances and guarantees by the government had amounted to $7,798,269, of which $5,143,813 is still outstanding.

PROPOSED NEW BANK MERGER IS BEING DISCUSSED

Believed Ottawa Would Favor It in Public Interest

The discussion of another merger of Canadian banks—regarded in many quarters of the financial community as a fact to be accomplished in the immediate future—brings up the interesting point firstly as to the attitude of the Dominion government in regard thereto. It will be remembered that some years ago when the merger of the Bank of Hamilton and the Royal Bank was proposed, Sir Thomas White took the attitude for the government that, as the Bank of Hamilton was sound financially and well managed, the amalgamation was not in the public interest; the policy laid down was one of expediency.

In the case of the smaller bank in connection with the merger now being discussed, it is argued by bankers that there would probably be no objection from Ottawa because the amalgamation would be in the interests of the public and also in the interests of the shareholders.

Bank mergers in Canada have always been the subject of controversy as to the merits and demerits of the consolidation of financial interests and this controversy, if renewed at the present time following the collapse of the Merchants Bank and on the eve of an extensive parliamentary inquiry as preliminary to the periodical revision of the Bank Act, would no doubt become particularly sharp as between those who argue that consolidations bring about more efficient banking and cheaper public service as exemplified by the British system and those who argue that the country is getting into the control of a bank trust.

For the consolidation there is not only the argument of cheaper and more efficient service, and the point that a merger may prevent a situation in which the interests of both the public and the shareholders would suffer, but it may also be pointed out that an opportunity would be afforded to reduce overhead expenses to a large extent in regard to head office administration, while no doubt a large number of branches, especially in the larger centres, could be consolidated. In the past mergers have not been followed by a reduction in the total number of branches for any time, because keener competition has been responsible for the opening of a larger number of small branches. However, since the signing of the armistice there has been a competition in new fields which it is generally recognized in banking circles has resulted in too many branches for the good of the banks and more than enough to provide adequate service. An amalgamation at this time would no doubt result in an economic saving in this direction and the start of a movement in which other banks might join. This is particularly the case as it is generally recognized that the Merchants Bank was a strong factor in the rather senseless post-war branch activity.

GOVERNMENT NOT TO EMPLOY ORIENTALS

Government of B. C. Wins Important Case Before Privy Council

From Our Own Correspondent.

VICTORIA.—The provincial government of British Columbia has won another round in its fight for exclusion of Orientals from industrial enterprises by winning a Privy Council appeal, giving it power to prohibit the employment of Asiatics in logging and lumbering operations on Crown timberland.

Legislation giving the government power to specify whether or not Orientals should be employed in logging contracts on Crown land was passed about two years ago, but its validity was disputed by the logging firm of Brooks, Bidlake & Whittall, Ltd., who carried the appeal as far as the Privy Council, before which tribunal the British Columbia government was represented by Sir John Simon.

The decision affects about fifty lumbering firms, employing approximately 1,000 Orientals, mainly Chinese and Japanese.

BIG SUPPORTERS DROP OUT OF THE SETTLERS SCHEME

Were Shown No Results for Large Sums Spent, They Declare

SHOULD REORGANIZE

Some of the Business Men Behind Canadian Colonization Association Feel Whole Plan Might be Dropped

From Our Own Correspondent.

MONTREAL.—Most of the group of Eastern business men who subscribed $1,200,000 to the work of the Canadian Colonization Association have suspended their financial support. Some of the larger subscribers, who had made substantial payments on account of their subscriptions, have declined to make any further payments into the funds of the association until they can be shown definite and tangible results. There is no lack of appreciation of the necessity for an aggressive, constructive immigration effort but there seems to be lack of confidence in the association in its present form and it is felt that to continue to accomplish the fine work of settling the vacant lands of Western Canada reorganization is necessary.

Around $175,000 has been spent to date, it is understood, and no settlers have been definitely located. One piece of good work has been accomplished, the listing of available vacant lands in a central bureau of registry, but the excellent uses that such a listing might be put to have been overlooked, it is stated by some of the erstwhile supporters.

When the scheme was first launched under the name of the Western Canada Colonization Association it was easy to raise money. Corporations of various kinds were making large profits. It was a period of easy money. These corporations were ready to contribute large sums to any project for the good of Canada and the association got subscriptions totalling $1,200,000 from a comparatively small group of Canadian industrial and financial leaders and the companies they controlled. It was proposed to get an additional $300,000

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CANADIAN CAR HAS BIG ORDERS ON BOOKS

Got $16,000,000 of Business From the Two Railway Companies Recently

From Our Own Correspondent.

MONTREAL.—Canadian Car and Foundry, it is stated, has unfilled orders on its books that insure a turnover of at least $20,000,000 during the present company year, that is about half run out. These orders are sufficient to keep the plant running at a fair rate.

Orders received by the company from the Canadian National and Canadian Pacific Railways run to about $16,000,000 and these form the bulk of the business now on the company's books and awaiting completion.

As the plants had been running at a very low rate for some months—in fact since the completion of the Russian car orders received in 1921—the new orders have been of substantial benefit to the corporation.

Bradshaw Investigates Foreign Implement Market

T. H. Bradshaw, financial and export director of Massey-Harris, Ltd., Toronto, has left on an extended visit to England and European countries. Prior to the war it was generally reported that 60 per cent. of the Massey-Harris output represented export trade, a valuable contribution to the trade balance sheet. The company has many overseas branches; among other countries Mr. Bradshaw will visit Hungary.

Mexico or Canada

That Canada must encourage the investment of capital if conditions are to be created to encourage immigration, is the conviction of Sir Clifford Sifton after years of actual experience in bringing settlers to this country, just as it has been the conclusion of Sir Henry Thornton as the result of his brief national survey. Sir Clifford agrees emphatically with THE FINANCIAL POST in that the only way to get capital is to give reasonable assurance of fair treatment and in his address in Montreal to Westerners he was not slow to tell them that in some of the Prairie provinces as in Ontario there has been legislation passed which has interfered seriously with the rights of property—the rights of the citizen and the investor. Such matters would have to be set right he intimated before we could expect foreign capital or new settlers with means.

The growing recognition that Canada must encourage capital to provide the development and the jobs to bring in increased population and to cash-in on our national resources, should give our legislators something to think of when the news depatches carry word that Canadian capitalists are seeking investments in Mexico. We can hardly expect outside capital to come in when our own capitalists, after experience with advanced experiments in legislation, are looking to Mexico as they have in the past looked to South America, to Spain and to other far countries when their genius for big undertakings has been discouraged at home. Especially must Canada consider the safeguarding of capital when such safeguards are already provided in the United States under the constitution.

Evidence of a Combine to Control Lake Rates Says Commission Counsel

Now Up to the Standard Shipping and Other Companies to Show That There Isn't, Argues Symington—Financial Post's Attitude Justified

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG.—The Winnipeg session of the Royal Commission appointed to "enquire into the alleged combine of shipping interests in its efforts to dominate and control the freight rates and terms under which grain has been carried from the harbors of Fort William and Port Arthur," centred round four questions, viz:

Is there a combine which controls more than three-fourths of the Canadian tonnage on the lakes and via Welland Canal to Montreal?

If there is such a combine, does it operate to the advantage of some shippers and the disadvantage of others?

If there is such a combine, does it unduly enhance freights on the lakes?

Does the practice of vessels' agents or brokers insisting on shippers writing insurance through them cause higher rates and leave opportunity for speculation in space?

Near the close of the sittings, H. J. Symington, counsel for the commission, said: "I think there is evidence here now of a combine. I think the evidence is in, the statistics may or may not bear it out, but it is up to my friends to go on and show that it isn't a combine or not an unfair one. I don't see anything else to it."

Some of the evidence which led up to this statement by counsel was as follows: The Standard Shipping Company, against whom the charge of conspiracy is alleged, was organized in 1909 under a Manitoba charter with a capital of $5,000 by Lee H. Wolvin and certain others. His brother, Roy Wolvin, and J. W. Norcross were interested. In 1912 the capital was increased to $50,000 and the same people were interested; at that time the Standard chartered boats for the Inter-Lake Steamship Company in which both R. M. Wolvin and J. W. Norcross were interested. The company's charter was cancelled in 1914 for not reporting to the Manitoba government as required by law, but according to Mr. Lee Wolvin, "went on operating and got into no trouble." In November, 1917, a new charter was taken out in Manitoba for $50,000, and according to Mr. Lee Wolvin himself, his brother Roy and J. W. Norcross were owners in the new incorporation as he knew of no change, also Norman Rule must have been a shareholder as he was treasurer of the company. In 1918 a Dominion charter was taken out with the capitalization raised to $1,000,000 and that is the charter under which the Standard Shipping Company are at present operating. Mr. Lee Wolvin was unable to give the names of shareholders under this new charter but admitted that he was still an "important" share owner in the Standard Shipping Company.

Mr. Wolvin could not remember when his brother Roy left the active operation of the Standard Shipping Company, but believed it to be in 1914. In reply to a query as to whether it was shortly before the formation of the Canada Transportation Company, he was unable to say.

In November, 1913, an agreement was entered into between the Cana-

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Hydro Flaunts All Authority

Recent revelations before the Gregory Commission of inquiry and in the Ontario Legislature as to the high-handed, autocratic methods of the Ontario Hydro Commission in spending freely of the public funds, without control by the elected representatives of the people, will not come as news to readers of THE FINANCIAL POST before whom evidence of this very thing has been repeatedly laid in these columns. Moneys voted for one purpose by the legislature have been used for other purposes by the Hydro to the extent of millions, while large sums have been spent on election propaganda the source of which remains a mystery so far as the government is concerned. THE FINANCIAL POST believes that even more flagrant disregard of constitutional government by Sir Adam Beck will be revealed if inquiries continue. Even DICTATION TO THE REPRESENTATIVE OF THE CROWN TO ACT WITHOUT THE FORMAL AUTHORITY OF THE GOVERNMENT OF THE PEOPLE has been rumored.

Backed by a political machine which enabled him to dictate to governments the Hydro Commission has ignored responsibility to the representatives of the people. Premier Drury has shown courage in endeavoring to bring the Hydro under governmental control. But he has not gone far enough. The Hydro Commission ignores the government because of vote-wielding power and yet the government is responsible because it has the authority of appointment and dismissal. THE FINANCIAL POST warned Premier Drury repeatedly that just such a situation as this would arise—where he would be held responsible for Hydro actions unless he exercised the full power of the government to demand a complete show-down.

It has long been evident that if Beck is not to run the government then the government must run Beck.

CO-OPERATION IN B.C. HAS BACKING OF BIG BUSINESS

Fruit Growers Not Seeking "Pap" From the Government

From Our Own Correspondent.

VICTORIA.—The co-operative movement is spreading among the farmers of British Columbia so rapidly that predictions are being made to the effect that within a year or so practically the whole of the province's agricultural output will be handled through co-operative agencies.

As recently outlined in THE FINANCIAL POST, the co-operative idea was given its first substantial impetus a few weeks ago when Aaron Sapiro, San Francisco lawyer and counsel for the great co-operative organizations of California, came to British Columbia under the auspices of the provincial government and gave a series of addresses to the growers in the principal fruit districts. He outlined the methods that had been put in practice by the California orange, raisin and prune growers and other organizations which had adopted co-operative policies, and told the British Columbians that they had the same opportunities of turning depression into prosperity as the Californians had when they revolutionized their marketing program.

The banks are supporting the movement by advancing funds for the preliminary financing of the organizations. The banks hesitated at first, but when the organizations were able to show the high percentage of growers that had guaranteed to market their produce exclusively through the co-operative agencies, they agreed to give the movement assistance and they are, therefore, to-day the backbone of the whole enterprise, as the farmers themselves were without sufficient capital to go ahead.

The co-operative marketing movement in British Columbia is not expected to broaden out into any sphere other than the purely commercial. The fact that the plans of the co-operators are being supported by the banks and the established business interests is regarded as a safe indication that the men behind the movement are not likely to advance beyond the co-operative idea and attempt to put into practice some of the theories that have been tried with disastrous results in other farming communities.

Russia Has Wheat to Compete With Canada

Stocks of Russian wheat and rye awaiting export at Black Sea ports total 4,000,000 bushels, and at Baltic ports, 3,000,000.

Decline in American Wage Level in January

Employment throughout the United States in January increased 1.4 per cent. over the preceding month, according to the Bureau of Labor Statistics at Washington. A decrease of 2.8 per cent. was registered in total wages paid. These figures are based on reports from 4,153 establishments in 43 industries.

DILLY-DALLYING ON IMMIGRATION HURTS BUSINESS

Industrial Leaders Plead for Vigorous Effort to Get People

SIFTON SPEAKS OUT

Former Minister of Immigration Says Talk About "Standard of Living" is All Nonsense

From Our Own Correspondent.

MONTREAL.—There is a growing feeling of resentment at the dominance of the government's immigration policy by a small group of narrow-minded labor leaders; a group that probably does not represent labor itself in a broad way. Industrial and financial leaders, recognizing the need of immigration for Canada, plead for definite action at Ottawa to set the machinery in motion that will bring people to Canada.

The views of many thinking Canadians were expressed by a Canadian business executive, head of several large corporations that cover Canada from coast to coast, when he said to THE FINANCIAL POST this week: "Canada is actually slipping behind because we are not getting immigrants. We cannot stop the drain to the United States; we are not trying to replace the people who leave. The drain on our population is actually making itself felt on retail trade; every business man suffers. And all because those who should be getting immigrants for Canada are afraid of offending certain labor leaders."

Without specific reference to the labor group Sir Clifford Sifton, in his address here on Saturday, referred to this problem in such a manner as to leave no doubt as to his meaning. There were hundreds of thousands of worthwhile people in Bohemia, Galicia, Hungary and similar countries who would be glad to get a chance to come out to Canada. But "criticism is made that these people have not as high a standard of living as our own. A lot of nonsense is talked on that score," said Sir Clifford, and he added:

"They will have the standard of living of pioneers and what they can get out of the soil. You cannot get the higher standard of living out of that soil I speak of, and you must get the man who will be satisfied with what he can get from it if you are going to settle it.

"That standard of living would probably be as good as that of the men who were the pioneers of Ontario and Quebec. My own ancestors were Ontario pioneers and they did not worry about standards of living, but cleared the land, and when they had time they built schools and churches and otherwise laid the foundations for the present conditions. They suffered hardships, but they made a prosperous Christian community, and turned out men whose names have become household words in the history of Canada."

Industry Needs Labor

Sir Clifford characterized the present immigration policy of Canada as one of hopeless uncertainty. He hoped for something more vigorous and decided. On the question of who should be admitted to Canada, Sir Clifford stated:

"I am entirely opposed to the admission of the wastrel, the ne'er-do-well and similar classes who will simply become food for the police departments and poor houses.

"On the other hand, our manufacturers and business men should be en-

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EDITORIAL

Bank Act Enquiry Can't Be Too Wide—Courage in Municipal Management—When Peter Pays Paul—Germany Our Competitor—To Concentrate on Research—McMillan Cleaned Up His Job.

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GREAT STRUGGLE PRECEDED IRON ORE DEVELOPMENT

Many Years Transpired Before U.S. Bodies Were Opened Up

ASSETS GROWING

Vast Ranges Are to be Tested Out But It is Bound to be Long, Hard Battle

By **W. A. DOWLER, K.C.**

In connection with the move to have Northern Ontario, Manitoba, Quebec and B. C. iron ore bodies tested out, one should not be discouraged if immediate success is not met with. In fact, success has not been met with, only failure, so far. However, there is some consolation and pointers to be had from the experience of the Minnesota and Michigan areas.

The date of first shipment of Lake Superior Iron ore—1850, from the Marquette Range, in Michigan, while the date of first iron ore discovered in Minnesota, which was followed up, —1865—on the Vermillion Range.

It took 17 years, however, to get this discovery taken seriously. It might never have been followed up had not George C. Stone, 17 years after the discovery, succeeded in getting Charlemange Tower of Philadelphia, to take hold. The promoters of this enterprise are reported to have secured and spent three millions before they rounded the turn and reached success. The first shipment from their mines was made in 1884.

The date of next important discovery, 1883—in the Ely District on the Vermillion Range, no doubt a result of prospecting activity induced by what Tower and his associates were doing on the Sudan Properties, took 5 years to promote this Ely District discovery to the shipping stage.

These discoveries and their development started a host of prospectors to work, some of them, following the general direction of the Vermillion Range, and geological indications spread over into Canada, and in 1884-1888 a large number of iron claims were located along and adjacent to the ground now occupied by the P.A.D. Railway. There was, however, no Tower in Canada to take hold and no Pittsburg Valley of Furnaces in Canada hungry for the ore and these discoveries have lain dormant until this day, not even the surface having been explored, though iron outcroppings are much more frequent and prominent than in any place in Minnesota.

It was thirty-four years after iron was first discovered in Minnesota and twenty years after the Vermillion Range discovery before any iron ore was shipped from Minnesota. An accidental discovery in 1890 revealed the Mesabe range to a body of prospectors. They had troubles. So different were these deposits from anything heretofore found they were told time after time they were of no economic value. The wise ones, the interests, would not have anything to do with them. Without faltering they demonstrated their quality beyond cavil. Then the furnace people gave them the cold shoulder, the texture of the ore did not suit the furnace practice of that day. They had gone through and accomplished too much to be now deferred and proceeded to afford such demonstrations of furnace use and qualities available and probable cheapness that the furnace men gradually capitulated. The transportation problem was meantime looming up in imposing magnitude. The railroad interests would not build. These people were not balked by the coldness and skepticism of the railroads. They had to get rail transportation some way, so local people went at it and built and largely financed a railroad (now part of the Duluth & Mesabe Road) to connect with what is now the Great Northern System.

Thus after years of continuous and in some individual cases, almost superhuman efforts, the Mesabe Range was launched as an iron ore producer and shipper, and speedily became one of the most important iron mining centres of the world.

The last important discovery was in 1904, the Cuyuna range. Cuyler Adams of Deerwood, Minnesota, should get full credit for this. The surface of the area now occupied by mines was flat or gently rolling, with no sign of iron any place. There was nothing to indicate iron except the existence of magnetic attraction in certain localities. The big interests, including the U. S. Steel, took up land, spent money in exploring and drilling and abandoned the area. Mr. Adams stuck to his belief and accompanied by his dog Una, became the spirit of the range and in fact named the range, the name "Cuyuna," being a compound of the first syllable of his first name Cuyler and the name of his dog. After passing through all the ups and downs possible for any enterprise or undertaking, the range was launched in 1911 as a shipping range, and has been growing in importance each year since then, its annual shipments now running into millions of tons, and the largest magamiferous iron ore mine on the continent being located on this range.

The properties of the North Pacific Packers, Ltd., located at several points in British Columbia have been purchased by the Canadian Fish Co., Ltd., a subsidiary of the New England Fish Co. The canneries turn out 100,000 cases of salmon yearly.

German Stocks Boom in Last Year's Trading

Stocks on German exchanges which averaged at the beginning of 1922 about six times 1913 rates, rose by the end of the year to 58 times 1913, while the dollar was 1,780 times. If stocks are reduced to gold values, average rate of German stocks at end of the year was only 1.77 per cent. of pre-war rates, compared with 13.13 per cent. at the beginning. Index of German state loans and industrial bonds calculated in paper at end of the year was only 16.5 per cent. higher than 1913 and foreign securities rose to 180 times pre-war rates, but in gold only 10.18 per cent.

BIG GAS AND COKE PLANT FOR HAMILTON

New Company to be Organized to Supply United Gas and Fuel Co.

There are now definite indications that the interests behind the United Gas and Fuel Company, which has been distributing natural gas for manufacturing and distributing artificial gas in Hamilton for many years, will immediately proceed with the erection of a modern coke oven and gas plant at a cost of approximately two and one-half million dollars. This will be done by the Hamilton By-Products Coke Oven Company which will sell gas to United Gas for distribution and market coke to industrial and domestic consumers.

As the natural gas fields are being rapidly depleted the United Company has long looked forward to the day when it will be able to furnish artificial gas only. The proposition for the organization of the By-Product Company has, therefore, been under consideration for five or six years, but a number of developments have prevented the carrying out of plans. It is now believed that activities will proceed this year. The company has contracted with the Sennet-Solway Company, of Syracuse, for the erection of a thoroughly modern plant and P. V. Byrnes, the manager, states that the financial difficulties that have been encountered during the past couple of years have been overcome and that all should be smooth sailing from now on.

FARMERS' COMPANIES FAIL IN MANAGEMENT

Some Interesting Results of Analysis Conducted in the United States

The U. S. Government recently made a "survey" of causes of the failure of the 243 farmers' buying and selling associations which have ceased to function since 1913, says the Price Current, continuing: We have before us at this writing only the Associated Press summary. This says the Agricultural Department finds that 200 failures were caused by insufficient business—promotions probably superinduced by the "sob stuff" of picnic oratory by professionals. Other contributing reasons given were inefficient management, 148; insufficient capital, 73; over-extensions of credit, 35; dishonesty, 29; control by a few members, 12. The summary does not state how much loss was incurred, nor how that loss compared with expected "savings."

This kind of co-operation, so far as it was concerned with the handling of grain, was probably confined to farmers' joint stock companies, an entirely legitimate form of business organization, but one subject to all the risks of private business. A comparison of the causes of failure of private and of co-operative business shows this distinctly but with emphasis, indicating, however, that the special risks of failure are greater in farmers' companies than in private trade. For example, it is hardly probable that 82 per cent. of the failures in private trade would be due to lack of business. The average individual who is competent to trade will first ascertain if there is business to be done before he tries to do it; the farmers seem to take that for granted without enquiry. If we compare other causes of farmer company failures, with failures in private trade, we find an emphasis in this survey that is of interest. Accepting the facts of a study of failures for four years made a few years ago for a credit men's association, we may compare percentages as follows (they have probably not changed much since):

Causes of Failures	Private Trade % of all	Farmers' Co.'s % of all
Inefficient management	15.6 at 19	62
Insufficient capital ..	30 at 34	30
Unwise credits	2.9 at 3.6	14
Dishonesty & "control"	4.4 at 11.5	17

Thus superficially examined we find that the chances of failure are greater in farmers' companies than in private business, for obvious reasons. Yet we are reminded by the Columbus, O., Journal that co-operative marketing has had the official sanction of both President Harding and Secretary Wallace, the latter going so far into paternalism as to hold that it is eminently proper and justifiable for the Federal Government to help the farmer in marketing his surplus products successfully.

APPRECIATION

A Hamilton doctor writes to express his appreciation of the different expressions of opinion and articles in THE FINANCIAL POST on the Merchants Bank case—"somewhat different to the attitude of some of our prominent so-called newspapers."

CHILLED BEEF OF CANADA HAS OPEN DOOR IN ENGLAND

Would Soon be in Active Competition With the Home Killed

The British embargo on Canadian cattle will, it is stated, soon be a thing of the past, yet there are Canadians, deeply interested in the progress of Canada's meat industry and cattle trade, who wonder if it might not be just as well for the Dominion if the embargo was continued. Their voice has been little heard during the agitation for the removal of the embargo. Yet, when sized up, the proposal seems to have many advantages to recommend it. Shipping the meat would mean that the labor of killing, etc., would be employed in Canada. The by-products would remain in Canada which, in itself, owing to the heavy demand for fertilizer, is an important item. The freight and other costs would place the cost per head laid down in England at $28 as compared with $53 live cattle.

J. S. McLean, Harris Abattoir Co., has prepared some interesting data on the pioneer effort to secure for Canada's chilled meat industry a footing on the British market. It was not a success financially but it is likely that the Harris company would consider the experience worth the loss sustained. Undoubtedly when conditions are better the battle will be resumed.

It perhaps might be as well to say here that chilled meat is kept at a temperature just above freezing, in order to avoid the disadvantages of frozen meat.

It was in the summer of 1921 that the Harris company carried out its test of the British market. Briefly it was found that the loss sustained was 2 1/3 cents per pound. The principals are satisfied that their product was worth 2 or 3 cents a pound more than they received, and had they been able to make continuous shipments they soon would have received a much higher price.

Undoubtedly the failure of the effort was due to the fact that the goodwill of the British butcher was lacking and there was not proper time to cultivate him. The Canadian chilled products reached England two weeks after killing, prime condition for cutting, according to Canadian standards. The Britisher gave a friendly reception to live Canadian cattle, but the chilled product was only imported beef and should receive only the imported price. The beef was acknowledged as being good. Then there was a prejudice dating from the war period to imported beef, as much inferior stuff was shipped in.

Conditions are not such that continuous shipments of chilled beef could be made weekly to Great Britain, but Mr. McLean's experience led him to believe that if such were possible the Canadian product would soon command a price about equal to the home-killed price.

The Argentine tried to establish itself in the British beef market but failed. Mr. McLean's explanation is that Canada produces better cattle, while the ocean voyage is three weeks as compared with one from Canada. The difference between Canadian and Argentine cattle is that the latter receive no grain and only a grain ration produces the highest grade cattle.

British butchers paid the Canadian company 1d to 2d more than the Argentine beef cost, but the most significant fact in connection with the test was that the butchers soon got to selling it as home killed. This latter fact was one which convinces that the market is available to Canadian chilled beef.

Canada Could Retaliate if Coal Supply Shut Off

Federal Fuel Distributor Wadleigh has made the following answer to a letter from General Goethals relative to complaints in New York about anthracite shipments to Canada:

"Shipments of household sizes of anthracite to Canada now proceed at the rate of 188,000 tons a month, 2 per cent. of total shipments, and this amount is necessary to maintain life and health among tenement dwellers in Canada, while shipments of such coal into New York, from last figures available, were at the rate of 1,300,000 tons a month. These figures do not include shipments by the Hudson Coal Co.

"New York State received from April 1 to December 31 from Canada, 778,738,740 electrical horsepower, which would require 1,062,988 tons of coal in its replacement.

"I would like to know whether the inconvenience to people in New York would be less if we increased their coal supply by stopping Canadian shipments, but with the risk of having electric power supply from Canada cut off in retaliation."

In connection with final statement in the letter, it was pointed out that a bill to cut off power supply to United States from Canada was introduced in Ottawa early last summer, but was held in abeyance.

Complaints in Greater New York because of lack of coal received by the Fuel Administration in one month totaled 4,495, of which 3,275 were found justified and honored with orders for coal. Brooklyn got 2,644 orders out of 3,601 complaints and Queens 398 out of 580.

WESTERN LUMBER

The Canadian Western Lumber Company reports sales of lumber during the month of December amounting to 8,018,898 feet as compared with 4,596,401 feet for the same month in 1921, while the price realized was $178,925 compared with $118,053 the previous year. The aggregate lumber sold for the twelve months of 1922 amounted to 116,869,587 feet and the price realized $2,803,943 as compared with 85,679,969 feet sold in 1921, and the price realized $2,237,935.

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TAXING CANADIAN INCOMES

A bill has been sent to the U. S. Senate to amend the United States revenue laws and impose on Canadians living in Canada and working in the United States the same income tax that Canada imposes on citizens of the United States living in the United States but crossing the international boundary line for work.

METHOD BEHIND THE DEMAND OF THE MARITIMES

Would Divert Freight Now Going Through to Portland

AN ACTIVE AGITATION

Meeting of All Eastern Boards of Trade Has Been Called to Consider the Whole Situation

From Our Own Correspondent.

OTTAWA. — The Maritime Provinces are much dissatisfied over certain features of the organization of the Canadian National Railways and may cause the Government considerable trouble. At the recent opening of the Nova Scotia Legislature the Speech from the Throne referred to this matter, saying that although this might simplify, it would not solve the question of freight rates that so adversely affect the commercial and industrial interests of the Maritime Provinces. It was also announced: "the Government intends to enlist the co-operation of the Governments of New Brunswick and Prince Edward Island with the view to securing united action to preserve and protect our interests."

A meeting of all Boards of Trade of the Maritime Provinces is to be held at Amherst on March 2nd, to consider concerted action respecting the reorganization of the Canadian National Railways as it affects these provinces. As a number of the leading members of the House of Commons and J. A. Sinclair, the Maritime representative on the boards have been invited to be present, it is probable that this meeting will be of much importance.

There are stronger reasons behind this agitation than the average person in Ontario realizes. As is well known, the chief idea behind the old Laurier conception of the second transcontinental, was that the rapidly increasing grain crops of the West should be carried out over Canadian railways and finally exported through Canadian ports. This was the chief purpose in the building of the National Transcontinental through the northern portions of Ontario, Quebec and New Brunswick, and as long as the old-time low freight rates prevailed this was in a fair way to be realized.

The Portland Route

But the pressure of high freight rates, together with the taking over of the Grand Trunk by the Government, has had the effect of causing grain to move out the shortest possible route, which, after the port of Montreal closes, means Portland. This means that what Portland gains, St. John and the eastern division of the National system loses.

The people down by the sea are of the opinion that if the eastern Division were extended right up to Montreal, and better still to Cochrane, there would be a much better chance of Western grain being routed to the winter ports of Eastern Canada, than there is at the present time. They contend, with some degree of reason, that the central division with headquarters at Toronto, in order to make as good showing as possible, will send all the grain it can over the old Grand Trunk to Portland, and that, in so far as this traffic is concerned, the Maritime Provinces may be even worse off than they were before.

This conflict of interests demonstrates how difficult it is to run the National Railways with anything like satisfaction to the main divisions of the country. Nor can these claims for consideration be dismissed with a wave of the hand, it being well known that much of the railway mileage affected was constructed for colonization, development and strategic purposes, which those along the routes have not forgotten.

DILLY-DALLYING ON IMMIGRATION HURTS BUSINESS

(Continued from Page 1)

abled to secure the skilled workers and other labor they require in their industries. We find constant complaints that they are obstructed in their efforts to get a proper supply of such help, and, without interfering with the work of the department, I think better results could be achieved."

Protection for Capital

Sir Henry Thornton's recent statement in Toronto that Canada needs capital first of all and that immigration would follow capital, provided a subject for discussion for Sir Clifford. Canada's constitution, he thought, was not such as to attract capital. Under it the provinces have too wide powers over property rights. These powers had led to some confiscatory legislation, particularly in Alberta and Ontario, and while these violations of contractual rights had not been serious they nevertheless suggested the need for a change. "There is only one way," said Sir Clifford, "to be sure that legislatures and parliaments will not interfere with the inviolability of property and that is to take away from them the power to do it. I take the view that our constitution is due for revision. We need capital in Canada. Nothing would help us to obtain that necessary capital more than to have a clause in our constitution insuring that no legislature would ever have the right to confiscate personal property."

The Vancouver Harbor Board are in negotiations for the purchase of the Kitsilano Indian Reserve, which is held by the Dominion Government. The price mentioned is $500,000.

Tells the West Not to Be So Pessimistic

Sharp condemnation of hard luck talk and whining was heard recently by the Regina Canadian Club from Dr. John MacKay, principal of Manitoba College. "We are living in one of the finest countries in the world," he declared. "Canada is most wonderfully situated, with a great and fine future, better than anything we can imagine, if we only do our part." He referred to the attitude of the people in Canada in looking for soft snaps while in the Old Land the people worked hard and lived simply, facing life bravely and cheerfully and making history of which they would have reason to be proud.

THE WHEAT BOARD A POLITICAL PAWN

Western Premiers Are Making Use of it in the Game of Politics

From Our Own Correspondent.

EDMONTON.—The situation in regard to a Wheat Board for 1923 is now much the same, as seen from an Alberta point of view, that it was a year ago. The legislature has expressed its approval of the temporary board scheme proposed by the three prairie premiers, but there will still remain the problem of finding a suitable man to head it, which was the rock whereon the project split in 1922. It has been said several times by the sponsors of the scheme that action would be possible this year because there would be more time in which to look for a man; but the weeks are passing by, and there has not yet been even a suggestion of a likely appointee. One of the possibilities in the matter is that an experienced grain man from England may be invited to come over.

There is no doubt that many farmers throughout the country have a feeling that they would get higher prices for their grain and that under this impression they have been demanding action from the government. The legislators presumably know better, but they have endorsed the scheme as a concession to their farmer-constituents, hoping, at the same time, that it would prove of some practical benefit.

Premier Greenfield is known to be a strong believer in the voluntary marketing control system rather than the compulsory, and he is desirous of making preparations for some such system as quickly as possible. In fact, he has given notice that another premiers' conference will be held after the legislatures are over, with that end in view. Meanwhile the chances for getting the one-year board in working order are still more or less in doubt.

BOOM IN LUMBERING IN NEW BRUNSWICK

Springing Driving Operations on Big Scale Despite Interference of Snows

From Our Own Correspondent.

ST. JOHN.—Never before in the history of lumbering in New Brunswick has the snowfall interfered so greatly with lumbering conditions. The chief difficulty has usually been the scarcity of snow. This has caused lumbermen in the past to curtail operations, and in fact, to cease operations entirely. This winter storm has followed storm, until some of the more prominent lumbering centres have been practically buried in snow.

However, despite the snow, the operators are all enedavoring to produce a record cut for the post-war period. And indications are that they will succeed. Lumbermen are confident that the coming spring and summer will see a revival of the lumber market. The milling season is expected to be greater than for any season since the armistice was declared. Indications are that at least seventy-five per cent. of the mills will be in operation with the reopening of navigation on the rivers.

The heavy snows will redound to the benefit of the lumbermen in March, April and May during the spring drives. It is believed that but a very small percentage of the logs will be left in the streams when the freshet has abated. In fact close students of lumbering predict that the coming spring drive will retrieve at least ninety per cent. of the cut lying on the banks of the streams. In former years lumbermen have considered themselves lucky to get out seventy per cent. of the cut. Spring driving operations for this year are expected to be greater than for at least twenty years.

U.S. Newsprint Output is 600,000 Tons Short

From Our Own Correspondent.

MONTREAL. — Consumption of newsprint in the United States in 1922 was the highest on record. Production of United States mills was higher than in the previous year though not reaching the 1920 total. The difference between United States newsprint production and consumption was more than 600,000 tons and most of the deficiency was imported from Canada.

As recently as 1918, the United States produced within 63,000 tons of its newsprint requirements at home. Since then the annual deficiency that has to be made up by importations, chiefly from Canada, has shown almost steady growth. The deficiency of production under consumption in each year is shown in this table.

	Deficiency
1918	62,697 tons
1919	330,572 tons
1920	273,252 tons
1921	549,294 tons
1922	601,214 tons

CANADA PILES UP FAVORABLE TRADE BALANCE 10 MOS.

Total Over $151,000,000 Reversing Conditions of Past Two Years

From Our Own Correspondent.

MONTREAL.—While Canada had an unfavorable balance of trade in January it was smaller than the similar unfavorable trade balance in January, 1922, and was the first recorded since April, 1922. Despite the small loss in January, amounting to $3,426,903 the country has had a favorable balance of trade during the first ten months of the fiscal year of $151,961,763. This compares with a favorable balance of only $20,523,567 in the corresponding ten months' period a year ago, and an unfavorable balance of $19,754,185 in 1920-1921.

Exports totalled $64,658,942; imports, $68,085,845. Volume of trade was much higher than a year ago; but smaller than two years ago. The record compares as follows:

January	1923	1922	1921
Exports	$64,658,942	$46,198,080	$80,912,816
Imports	68,085,845	51,476,253	72,252,223
Unfavorable bal.	$3,426,903	$5,278,173	*$8,660,593
*Favorable balance.			
Ten months to January:			
Exp.	$797,237,683	$634,654,918	$1,055,833,535
Imp.	645,275,920	614,131,351	1,075,587,720
Favorable bal.	$151,961,763	$20,523,567	*$19,754,185
*Unfavorable balance.			

Sales Large in U.S.A.

The United States was Canada's best customer during January, purchasing $30,270,860 of Canadian products, as against $21,134,715 in January of 1922. During last month, however, Canada's purchases in the United States outdistanced her sales to that country by nearly $19,000,000, the total of American goods imported being $49,142,939, as against $33,598,444 in January of last year and $51,823,917 in the corresponding month of the previous year. Foreign produce exported to United States last month was valued at $868,235 as against $749,463 in January, last year.

Trade with Great Britain

The United Kingdom purchased $21,722,492 of Canadian produce in January and $39,372 of foreign produce exported from this country as against $9,769,672 Canadian produce and $94,896 foreign produce in January of last year. Imports into Canada from the United Kingdom in January of this year were $10,707,129, as against $9,769,672 in the coresponding month of last year. Canada's exports of Canadian produce to other countries during January were $12,665,596, making a total export of Canadian produce last month of $64,658,942, as against $8,129,460 to other countries in January, 1922, and a total export of $46,198,080 for the month. Imports from countries other than United States and United Kingdom during last month were valued at $8,235,777, as against $8,108,137 in January last year.

Thinks Snow Reduces Lumber Cut by Half

From Our Own Correspondent.

ST. JOHN.—L. M. Jones, a New Brunswick lumberman, is of the opinion that contrary to general belief in New Brunswick, the lumber cut will not reach half the proportions of the winter of 1921-1922. He admits that an increase will be shown in the cut on the crown lands of New Brunswick, but says that on privately owned lands the cut will not be nearly as great as believed. He adds that he has done but little cutting this winter, attributing this to the heavy snow.

Mr. Jones asserts that the normal New Brunswick cut annually, is about 750,000,000 feet. He also asserts that not more than 350,000,000 feet will be cut in New Brunswick this winter. He says most of this will be cut on the crown lands in the northern section of the province. He claims that in the county of Northumberland the cut will be negligible owing to the extremely heavy snow of this winter. The operators who have taken crews into the woods have been compelled in many cases to dismiss the crews before the season was half over.

Renewed Interest in Western Oil Prospects

From Our Own Correspondent.

EDMONTON.—Renewed activity in oil and mineral development, at least to the extent of taking up various promotion schemes that were got partially under way last year, is now showing itself, in anticipation of the coming season. Two oil sand propositions on the Athabasca river are reported to be preparing for actual production this year, English capital being interested in both. It is proposed to install plants for extracting oil and gasoline from the so-called tar sands, and practicable processes of operation are claimed to have been discovered.

The report of the Scientific and Industrial Research Council, as submitted to the legislature, shows that the work of testing various coals, oil sands, and other mineral samples from different parts of the province was carried on last year with considerable energy. The council received some 550 letters from people who thought they had track of new mineral deposits, but in most cases these were based on greatly exaggerated reports.

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THE ROYAL BANK OF CANADA
Statement to the Dominion Government (Condensed)
January 31, 1923
Head Office MONTREAL

LIABILITIES	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,007,514.19
Notes in Circulation	24,186,783.54
Deposits	374,573,501.98
Due to other Banks	15,775,424.33
Bills Payable (Acceptances by London Branch)	6,498,938.81
Acceptances under Letters of Credit	4,270,288.14
	$467,112,450.99
ASSETS	
Cash on Hand and in Banks	$100,293,146.81
Deposit in the Central Gold Reserves	5,000,000.00
Government and Municipal Securities	32,155,404.31
Railway and other Bonds, Debentures and Stocks	13,319,433.37
Call Loans in Canada	12,231,343.76
Call Loans elsewhere than in Canada	38,745,247.22
	$201,744,575.47
Loans and Discounts	246,308,440.90
Liabilities of Customers under Letters of Credit as per contra	4,270,288.14
Bank Premises	12,012,229.44
Real Estate other than Bank Premises	1,517,987.95
Mortgages on Real Estate sold by the Bank	238,929.09
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$467,112,450.99

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1862	1,395,472
1872	5,524,075
1882	7,156,661
1892	11,008,794
1902	19,181,925
1912	48,126,011
1917	61,737,340
1922	71,830,546

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STOCK MOVEMENTS OF THE WEEK

Week Ending February 27

	Div. Rate	Ask	Bid	High	Low	Close	Sales
Banks—							
Commerce	12+1	200	199	200	197	199½	132
Dominion	12+1	—	201	201	201	201	433
Hamilton	12	166	—	166½	165½	165½	31
Hochelaga	10	150	149	150	149	150	31
Imperial	12	186½	185	186½	184½	186½	156
Molsons	12	176	175	177	175¾	176	78
Montreal	12	—	235	237	235	237	237
Nova Scotia	16	—	265	265	263	265	131
Royal	12	217	216	217¼	216	217	161
Standard	14	—	209½	210	210	210	1
Toronto	12	184	183	185	184	184	87
Union	10	138	—	138½	138	138	106
Industrial, Utilities, Etc.							
Abitibi Pulp and Paper Co.	4	69	68	69½	68¼	68½	2086
American Salesbook, com.	8	37	36	37	37	37	91
Do., pref.	7	91½	90	91½	90	90	75
Asbestos Corporation, com.	6	69	—	69½	69	69	450
Do., pref.	7	91	88	88	87	88	65
Atlantic Sugar, com.	—	23	22	24½	22½	22½	225
Do., pref.	—	—	41	43	42	42	38
Barcelona Traction	—	20	19⅝	20¾	19	19⅞	3014
Bell Telephone	8	120	119¾	120	119	119¾	1333
Brazilian Traction, com.	4	49	48¾	51¼	48¼	49	37810
B. C. Fishing	—	20	—	20	20	20	27
British Empire Steel, com.	—	9¾	9¼	9¾	9	9¾	367
Do., 1st pref.	7	70½	69½	70½	69½	70	90
Do., 2nd pref.	—	26	25½	26¾	26	26	1536
Brompton Pulp, com.	—	41	40⅜	43⅛	40¾	41	3568
Burt, F. N., com.	10	136	134	136	133	135	123
Bird & Son, pref.	7	90	89	90	89	90	46
Canada Bread, com.	—	—	65¾	66	65⅜	66	140
Do., pref.	7	95	94	95	95	95	196
Canada Car and Foundry, com.	—	34	31	35	31¼	33¼	3084
Do., pref.	—	74½	73	76	70	74½	3997
Canada Cement, com.	6	—	87	87	82	87	2757
Do., pref.	7	—	101½	102¾	102	102¾	223
Canada Steamships, com.	—	19	18	19	18	18½	560
Do., pref.	—	50½	49½	52½	49¼	50	1138
Canadian Converters	7	98½	98	98½	97½	98½	175
Canadian Cottons, com.	8	126¼	125	126½	125	126	346
Do., pref.	6	—	90	90	90	90	10
Canadian General Electric, com.	6	88	87	90	85	87½	875
Do., pref.	7	—	103	103	103	103	25
Canadian Locomotive, com.	4	72	—	72	70	72	20
Do., pref.	7	92½	91½	92	91½	92	26
Canadian Pacific Railway	10	151½	151	152	150	151	392
Canadian Woollens, pref.	—	65	—	65	65	65	125
Crow's Nest Coal	6	—	48	48½	48½	48½	10
City Dairy, com.	10	146	142	147½	147½	147½	25
Do., pref.	7	—	101	101½	101	101	15
Consumers Gas	10	—	153	153	151	153	137
Do., Allotment	—	—	—	14	11¼	14	418
Detroit United Railway	6	72	70⅜	72½	70	70½	1083
Dominion Bridge	4	74	72	73	71	73	109
Dominion Canners, com.	—	34	31	34½	31½	31½	948
Do., pref.	7	82½	81	83	82	82½	452
Dominion Glass, com.	7	95	94⅞	95	94	95	731
Dominion Telegraph	6	45	44	44	43	43	62
Dominion Textile, com.	12	68½	68	68½	67¾	68¼	1787
Do., pref.	7	—	108	108¼	108¼	108¼	50
Dominion Iron, pref.	7	75	70	75	70	70	19
Dominion Steel Corp., pref.	6	80½	80	80	79	80	66
Duluth Superior	—	30	29	30⅛	30	30⅛	105
Davies, Wm. (A)	—	35	33	34	34	34	90
Goodyear Tire, pref.	7	95	93½	95	93½	94¼	384
Howard Smith Paper Co.	6	80½	78½	82	79¾	80	1222
Do., pref.	8	104½	104¼	104	103½	104	178
Illinois Traction, com.	—	44	—	43½	43	43½	30
Do., pref.	6	85	83	84	83	83	108
Holt Renfrew, pref.	7	—	55	60	60	60	60
Lake of Woods Milling, com.	12	181	180	180	180	180	210
Do., pref.	7	—	113⅞	114	114	114	20
Laurentide Paper	6	94¼	94	95	94	94	426
Lyall Construction	—	42½	40	42	42	42	25
Macdonald, A., com.	—	10	—	9⅞	9⅞	9⅞	10
Mackay, com.	7	118	117	119	117¾	118	461
Do., pref.	4	72	70	71¼	70	70	110
Maple Leaf Milling, com.	8	125	120	125	125	125	45
Do., pref.	7	—	99	100½	100	100	74
Monarch Knitting, com.	—	30	25	30	30	30	35
Montreal Cotton, com.	6	—	109	107	107	107	15
Do., pref.	7	—	108	108	108	108	11
Montreal Light, Heat, Cons.	6	115½	115⅜	119	110	118½	8581
Montreal Telegraph	8	49	—	49	49	49	1
Montreal Trams	10	152	150	152	150	150	20
National Breweries, com.	4	51⅝	51½	52½	51½	51½	688
Ogilvie Flour, com.	12	315	313	315	313	313	36
Do., pref.	7	115	—	115	115	115	70
Ottawa L. H. & Power	6	92	—	92	91¾	92	120
Ottawa Traction	4+1	60⅛	60	60⅛	60⅛	60⅛	330
Pacific Burt, com.	6	—	97½	94	94	94	2
Do., pref.	7	—	104	104	103⅛	104	30
Penmans, com.	8	147	—	148	144	147½	230
Do., pref.	6	—	95	95½	95	95½	76
Porto Rico Railways, com.	—	26	—	25	25	25	50
Price Brothers	2	45¼	45	45¾	45	45½	595
Provincial Paper, com.	6+1	92	90	90	89½	90	134
Do., pref.	7	—	95	97	96	97	97
Quebec Railway	—	24½	23½	24½	22¾	23⅞	1543
Riordon Pulp, com.	—	—	5½	6	5½	6	545
Rogers, William, com.	—	—	66	67	62	67	69
Do., pref.	7	94	90	94	93½	94	18
Russell Motor, pref.	7	70	65	65	65	65	25
Shawinigan	7	118	117⅞	118	114½	118	2730
Do., Bonus	—	40	—	40	39½	39½	636
Sherwin-Williams, com.	6	—	90	95	95	95	5
Do., pref.	7	100½	—	101	100	101	62
Spanish River Pulp, com.	7	97	95	97	96	96	1226
Do., pref.	7	106	104	105⅜	103¼	103¼	850
Steel of Canada, com.	7	74½	74	75⅜	70¼	74	11989
Do., pref.	7	100	99	100½	99	100¼	315
St. Lawrence Flour, com.	6	77¾	—	77½	77	77½	100
St. Maurice Paper	5	100	98½	101	97	97	445
Toronto Railway	—	83½	82¾	84	82¾	83½	671
Tuckett Tobacco, com.	4	56	—	55	54	54⅞	145
Twin City, com.	4	63	61½	63¼	69¼	62	3016
Wabasso Cotton	4	—	71	73	73	73	15
Wayagamack Pulp	—	60	—	60	60	60	185
Western Canada Flour	8	112	110	112	112	112	10
Winnipeg Electric, com.	—	37½	37	37½	36	37¼	324
Do., pref.	7	86	85½	86½	85	86	330
Woods Mfg., pref.	7	81	—	81	81	81	29
Cuban Can. Sugar, com.	—	9¼	9	10½	9	9	660
Do., pref.	—	43	42	42¾	40	42	919
Canada Landed	10+1	83	81	83	83	83	25
Can. Permanent	12	193	191	193	193	193	16
Colonial Investment	6	—	8	8	8	8	25
Hamilton Provident	10	145	142	145	145	145	6

RAILROAD EARNINGS

The Canadian National Railways report gross earnings for the week ending February 21, amounting to $1,827,040, as compared with $1,748,599 for the corresponding period in 1922, an increase of $78,440.

Earnings of the Canadian Pacific for the third week of February amounted to $2,506,000 against $2,729,000 for the same period in the previous year, a decrease of $223,000.

The Grand Trunk Railway reports traffic receipts for the week ending February 21, amounting to $1,855,825, or a decrease of $194,217.

GENERAL MARKET RISE IS HALTED; PRICES SAGGING

Practically Whole List Has Gained Since First of Year

MINING QUIET

Power Situation in Northern Ontario Has Caused Much Disappointment

The tendency of the market is to ease slightly after the recent spurt. The volume of trade is not as large and while the breath of the market is hardly restricted, the price tendency is also one of softness. There is so much talk of the Bull movement in New York and its reflection on the Canadian markets, that an analysis of the progress being made will perhaps enable some to better size up the situation. Two important facts are shown by such an analysis. The first is that there has been quite a general increase in prices throughout the list since the first of the year. And, secondly, the peak, for the present, seems to have been passed and there has been a general easing in prices.

A review of 56 issues appearing in the general market list shows that 47 of them are selling higher to-day than they were at the first of the year. But equally important is the fact that 37 of these issues are now selling below the high price of the year. In other words, 37 of the issues among the market leaders have moved up and then sagged off.

Generally speaking the market gains of the year were recorded during the first, second and third weeks of February and the reaction that has been recorded has, for the most part, taken place during the past ten days.

The following table gives a general review of the market:

	Stocks	Grain Gains	Losses Losses	Grain Total Gain	Grain Aver. Gain	Below Gr. High
Millings	5	5	0	30	6	5
Banks	11	10	1	66	6	5
Papers	6	3	3	⅛	—	4
Steel	4	3	1	13	3¼	3
Cottons	4	4	—	38	9½	2
Power	4	4	—	30	7½	1
Utilities	7	6	1	36½	5⅛	5
Industrials	15	10	3	66¼	4 1-3	12
Totals	56	45	9	234⅜	4 1-5	37

The Industrials make up the largest group and, despite the fact that the future promises big for most of these issues, it will be noted that 12 of the 15 are now selling below the year's high. The figures follow:

Amer. Sales Book	35	39	37
Pac. Burt	95	92	94
F. N. Burt	124	136	135
Asbestos	66	70	69
Atlantic Sugar	23	24	22¼
Can. Bread	54	66¼	66
C. S. Ships	18½	19	18½
C. Gen. Electric	82	90	87½
City Dairy	142½	150	147½
Dom. Canners	31	34½	31
Cement	77¼	87	87
Dom. Glass	90½	..	95
Good Year	87½	95	94¼
C. P. R.	146	152	151¾
Con. Gas	157	162	153

Utilities 7 6 1 36½ 5⅛ 5

Though the five leaders of the milling group are now selling above the opening of the year, having averaged six points, it will also be noted that the group as quoted has been reactionary of late and is now below the year's high. The figures:

L. of Woods	177½	184	180
M. Leaf	122	126	125
Ogilvie	288	320	315
St. L. Power	77	78½	77½
Wes. C. Flour	115	113	112

The buying of bank stocks has been heavy since the first of the year. The conservative investors have been grabbing up these issues. The result is that only one of eleven issues failed to rise above the 1923 opening bid. Of late there has been an easing of the demand for these issues and five of them have sagged back somewhat.

Commerce	193	201	199½
Dominion	191	212	201
Hamilton	170	..	165½
Imperial	180½	..	186½
Molsons	162	..	176½
Montreal	231	..	237
Nova Scotia	255	..	265
Royal	208	223	217
Standard	204	..	210
Toronto	183	189	184
Union	136	141	138

The paper issues, perhaps as a group the most active of any, show a level about the same as the first of the year. Three of six issues are up and three down. Four of them are now selling below the year's high.

Abitibi	70½	..	68½
Brompton	39⅝	43	41
Laurentide	94	96	94
Price Bros.	47	..	45¾
Prov. Paper	87½	..	90
Spanish River	97½	99	96
Howard Smith	79	81½	80

Three of the four steel issues given rose above the year's opener and they have since sagged. One issue failed to better the price with which it left 1922 behind.

B. E. Steel, 1st P.	73	..	70½
Can. Car	33	35	33½
Can. Loco.	60	..	72
Don. Iron	69	75	72

The Textile group is the leader in the matter of gains and the most of these are of late record. Four issues made substantial gains but only two of them have been able to hold up. The power groups are standing up to the year's gains the best of all while the utilities have been sagging heavily, five of the six which gained since the first of the year having gone back.

Montreal Cotton	104	110	107
Penmans	129	..	147½
Converters	92	..	98½
Can. Cotton	114½	128½	126½
Mont. L., H. & P.	104½	..	119
Ottawa	90	..	92½
Shawinigan	112	..	118
Kaministiquia	103	114½	110
Barcelona	17¼	20¾	19⅞
Brazilian	44	50½	49
D. U. R.	68¼	72¾	70½
MacKay	107	124	118
Toronto Railway	85	93	83½
Twin City	60	..	62½
Winnipeg Electric	32½	38	37¼

The mining market has been moving in sympathy with the big market. Earlier in the week there was a splendid mining market, but interest sort of lagged. The power situation at Porcupine has played an important part in killing the interest in the gold issues, with the result that the big dividend payers have shown a tendency to soften. The list on the whole, however, has held up well. The near approach of spring will help the situation.

The bond market has been fairly firm. There have been few issues placed of late with the result that the government issues have come in for the bulk of the attention.

WILL REDUCE STOCK OF BRITISH EMPIRE

Resolution for Lowering Authorization Will Come Up Before Shareholders

From Our Own Correspondent.

MONTREAL.—The resolution that will come up at the annual meeting of British Empire Steel Corporation to reduce the authorized capital of the organization calls attention to the small proportion of the total authorized capitalization that is outstanding. Five different classes of shares have been authorized to a total amount of $500,000,000, of which only three types to an amount of $89,440,200 have been issued.

These shares are as follows:

	Author.	Issued
First pref. 8%	$100,000,000	$ ......
First pref. 7%	40,000,000	7,640,200
2nd pref. 7%	135,000,000	57,350,900
Pf. non-cum. 7%	15,000,000	......
Common	210,000,000	24,450,200
	$500,000,000	$ 89,440,200

It is possible that both the $100,000,000 of 8 per cent. first preference stock and the $15,000,000 of non-cumulative preferred stock may be wiped out or at least greatly reduced. The common stock is also likely to be cut, consolidating the position of all the shares to good advantage.

It might be noted that of the $89,500,000 of stock outstanding only $78,904,175 is in the hands of the public, the remainder being held by constitutent companies. Adding to this net total the amount of stock in constitutent companies that is still outstanding the total capitalization of the enterprise is $91,163,075 in stock and $36,645,490 in bonds.

ASBESTOS CORP. HAS IMPROVED POSITION

Last Year's Operations Paid All Charges and Added to Working Capital

The Asbestos Corporation of Canada net earnings during the past year amounted to $879,285 as compared with $893,058 in 1921. The report which is now going forward to shareholders shows the last twelve month operations earned the dividend comfortably after taking care of all other charges. This is better than most expected because of the trying conditions which existed in the trade during a portion of the year.

Provision for taxes having been made, the total profits were found to stand at $727,093 as compared with $756,644. To this was added investment profits of $152,192 as compared with $136,414. Bond interest provision was $150,000; Depreciation of plant and mineral exhaustion $194,299, leaving a balance of $534,986 as compared with $543,258 in 1921.

Preferred dividends of $280,000 and common dividends of $180,000 took $460,000, leaving a surplus for the year of $74,986, as compared with $83,258. The bringing forward of the previous surplus of $2,136,000 places at the credit of profit and loss a balance of $2,211,076.

The working capital of the corporation shows a steady improvement. Investments are up from $2,182,077 to $2,208,486; inventories are up to $836,749; accounts receivable are up to $318,328 from $277,072; while cash is higher at $451,876, as compared with the $448,560. Among the liabilities, accounts payable are up from $94,571 to $131,491, there being elsewhere little change. Operation of the sinking fund leaves the funded debt at $2,825,400.

Riordon Gets $500,000 for Hardwood Limits

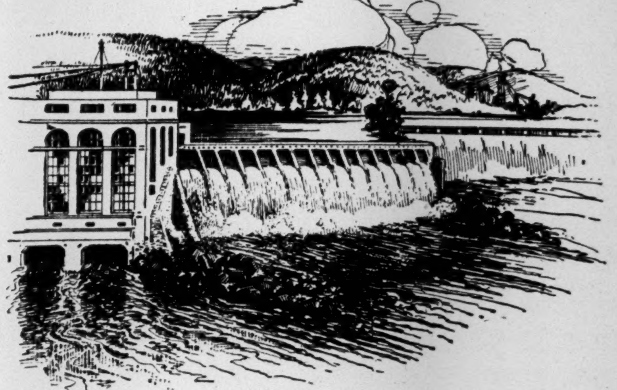
From Our Own Correspondent.

MONTREAL.—The sale this week of another group of Riordon timber limits brought the total sales during the past year or so to 15,000 square miles. The company has had a return of about $2,500,000 from the sale of all these limits.

This week 500 square miles of hardwood limits on the Nation River were sold to the Singer Sewing Machine Company at a price of $500,000. The Singer firm has a plant at St. John's, Quebec, where considerable hardwood is consumed. It is understood that water power rights were not sold.

NEW INVESTMENT HOUSE

Announcement is made of the formation of the new banking investment company of G. H. Rainville & Co., Ltd., with offices in Montreal. G. H. Rainville, the president and managing director, is a well-known Montrealler who has been in business here for some years. He has been associated with the electrical manufacturing industry for some time and is president of Electrics, Limited, and Canadian Electrical Corporation, Limited. Associated with Mr. Rainville in the new company are some prominent Montreal and New York interests, and an office will be opened in New York as well as a branch in Quebec.



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INDIAN TRADE TO DEPEND ON POLICY ON IMMIGRATION

Robb Working for Business in Orient and South America

From Our Own Correspondent.

OTTAWA.—Minister of Trade and Commerce Robb shows an inclination to go hard after the trade of the Orient. During his recent visit to Australia he got a good sidelight on the Indian trade and is very hopeful of the results. The other day he told parliament that before the Great War India imported $600,000,000 worth of goods a year, and that Canada sent only $30,000. Last year she imported $800,000,000 worth and Canada's sales were $1,125,000. He now says that the Canadian agent in that country expects that the sales during the coming year will run between $3,000,000 and $5,000,000.

Mr. Robb very properly told the House that the extent to which India trades with Canada would very probably depend on the treatment that Indians received in this country. He reminded the House that there was a movement on foot in India for the adoption of a trade preference to states within the Empire, and that one of the reports made on this subject recommended that the preference be made conditional on Indians being given equal political privileges in these states. There is an impression that if Canada enters the Pan-American Union, of which there seems to be some likelihood, trade with South American countries will be stimulated. Mr. Barrett, representative of the Union, has pointed out that during the sixteen years of its existence, trade between the member states has increased from $400,000,000 to $4,000,000,000 a year. Canada, through the numerous branches of her banks in Central and South America, has laid the groundwork for a big trade, and it is more than probable that closer association with these countries would be a profitable experiment. From a trade standpoint, the Pan-American Union looks much more attractive than the "League of Nations."

Drury Forces Through Deal With Paper Company

The Ontario Government has finally been able to work out a power agreement for the consumption of energy from the Nipigon development by the Great Lakes Pulp and Paper Company on a business-like basis. This has been done by a majority vote of the Ontario Hydro Commission in defiance of Sir Adam Beck who declares that a price of $18 per h.p. to the paper company is below the cost of production and unfair to the municipalities. How he arrives at this conclusion is somewhat mystifying when the figures show that on the basis of actual investment by the government the present power being delivered at about $20 per h.p., which Sir Adam says is cost, actually represents a charge of $60 per h.p.

By the very sensible arrangement which has been worked out by the government in spite of the Hydro chairman, the present heavy deficits on Nipigon, which the province is bearing, will be materially reduced and a new industry which will bring millions of American capital into Ontario for the development of natural resources will be established.

Howard Smith Mills Larger Export Trade

From Our Own Correspondent.

MONTREAL.—President C. Howard Smith, of the Howard Smith Paper Mills, got back to Montreal this week after a four months tour of Australia and the Orient. Mr. Smith studied particularly the openings in this market for the high-grade papers that form the Howare Smith products and was impressed with the opportunities that seem to afford themselves for expansion of export trade. In China and Japan and New Zealand especially were conditions favorable for enlarged business.

Howard Smith mills already have an extensive export trade and this, Mr. Smith says, is rapidly growing. Outlook for 1923 is very satisfactory for the company with higher prices in prospect.

Bondholders of National Farming Machinery Act

From Our Own Correspondent.

MONTREAL.—Action is being taken by the bondholders of National Farming Machinery Company to protect their interests. There are about $4,500,000 of bonds outstanding largely held by farmers in the neighborhood of Montmagny, Quebec, where the company's plant is located. The plant recently closed down.

At a meeting of bondholders this week it was decided to audit the books of the company to see what assets were behind the bonds. The company's plants are large and at one time were valued at $7,000,000. During the war they were used for the manufacture of munitions.

INTERNATIONAL PAPER

With mills running at capacity, International Paper Co., for the first time in more than two years, stands in a fair way to show favorable earnings. With newsprint at $75 a ton, profits are restricted, but as far as one can forecast at this stage, 1923 should permit the company to earn preferred dividends and show something for the common stock.

Cheaper Power Rate for Buffalo Than Toronto

"That Buffalo gets cheaper power than Toronto was the statement made by Fred D. Corey, president of the Niagara, Lockport and Ontario Power Company, in addressing the Buffalo Chamber of Commerce. He backed up his statement with figures. He showed that the average price paid by Toronto consumers in 1921, was $1.63 per killowat hour, while the average price in Buffalo for the same period was $1.59. During that period the Buffalo General Electric Company generated a very large part of its power with coal which was then at a high price. The Buffalo Distributing Company was at another disadvantage in that it paid $552,548 in taxes while the Municipal Distributing Agency in Toronto was taxed but $4,760.

MILLING COMPANIES HAVE BIG EXPORTS

Trade Figures Indicate Their Foreign Markets Are Rapidly Growing

From Our Own Correspondent.

MONTREAL.—Canada milling companies are finding a wide market abroad for their flour. The trade figures for the nine months ending December 31, last, indicate an increase of more than 2,000,000 barrels in the amount of flour exported over the nine months corresponding in 1921. In December a high total was reached when 1,462,651 barrels of flour were exported, almost double the total for December, 1921. Taking the figures for the nine months period, we find the following rapid growth: 1920, 3,869,931 barrels; 1921, 5,130,900 barrels; 1922, 7,201,343 barrels.

The decline in prices has served to offset to a large degree any increased money return this might involve. For instance, the 1920 exports in nine months were valued at $46,111,590 more than the 1922 nine months figure of $42,501,001. The 1921 figure was $39,701,159.

New markets are being found and old ones enlarged. Exports to the United Kingdom remained practically stationary. To the United States they showed considerable increase. Big increases are shown to Cuba, Finland, Greece, Hong Kong, Italy, Japan, Holland, Sweden and Venezuela.

Real Estate Loan Profits Maintained

The Real Estate Loan of Canada earned $92,037 in 1922 as compared with $94,897 in 1921. From this interest, taxes and other charges were deductable, leaving a total of $42,239 as compared with $47,400 in 1921. To this net profit was added the surplus from 1921, bringing the total to $46,442 with which to care for dividends and reserves. The usual disbursement was made to shareholders but the amount placed in reserve was cut in two as compared with 1921.

Assets total $1,297,877, including real estate, $46,432; mortgage loans, $1,079,115. The company found interest payments fairly well, the demand for mortgage funds has been good, says the annual report, and while the company has loaned actively in Toronto and Winnipeg, care has been taken to discount present building costs by requiring a margin of security more ample than usual.

The profit and loss account:

	1922	1921	1920
Earnings	$92,037	$94,897	$90,087
Interest	28,290	27,246	26,641
Expenses	2,397	2,602	816
Management	13,427	13,082	12,380
Taxes	5,684	4,567	10,188
	$49,798	$47,497	$50,025
Net profits	$42,239	$47,400	$40,062
Bal. forward	4,203	4,112	251
	$46,442	$51,512	$40,313
Dividends	35,000	35,000	35,000
Reserve	5,000	10,000	....
Contingent	....	1,109	....
Balance	6,441	5,403	5,313
	$46,442	$51,512	$40,313

Crown Reserve Capital Increased to $4,000,000

From Our Own Correspondent.

MONTREAL.—Shareholders of Crown Reserve Mining Company at the annual meeting this week voted to increase the capitalization from $2,000,0000 to $4,000,000.

James Cooper, secretary of the company, informed THE FINANCIAL POST that the new stock would not be immediately issued. The shaft, now down to 500 feet, will be carried another 50 feet before drifting will be undertaken to pick up the main vein. If operations at that stage are successful the directors will sell enough of the newly authorized stock to finance complete development operations.

The old board of directors was re-elected.

HURON AND ERIE CHANGES

J. M. McWhinney, who has been manager of Canada Trust and Huron and Erie, Toronto branches, will now give his whole attention to the business of the Trust Co. R. P. Baker, formerly investment manager of the Toronto branch, becomes manager of the Huron and Erie. The changes followed the annual meeting and are a result of the rapid growth of all branches of the business.

ARGONAUT'S MILL

The Argonaut's mill is expected to be ready by April when it will be started on 50 tons daily and gradually increased. The ore shoot of the 300 level is being driven to on the 500-ft. level.

News and Views for Investors

B. A. OIL

British American Oil is closely held. A financial statement is not given out to the public, just a general statement of progress. Such was the case this year, but since the meeting it has been reported around that earnings were $1,100,000 or about 207. on the stock issued. It is reported that the company has a surplus of $3,000,000 or three-fifths of the value of the stock.

AFTER RIORDON LIMITS

There is a reported move on by British interests to purchase from the Riordon Company a portion of their timber lands. The outcome may be a new paper mill. In fact it is said an option on a portion of the limits was refused. Then the idea of a purchase was taken up. Nothing definite is as yet known. Rumors connect the London Times with the negotiations.

PROVINCIAL PAPER

Provincial Paper is placing a bond issue of $395,000 to reimburse the treasury for expenditures made from earnings on the new Port Arthur plant. In all the company has spent about $1,250,000. Last year the company had $613,960 available for interest after charging off $150,000 to depreciation. This is 6¾ times the bond interest on the $90,000 outstanding and the $1,500,000 mortgage.

MUTUAL OIL

The Mutual Oil, which has been quite active on the market of late and which has been steadily expanding is operations and absorbing other companies, has acquired control of Hamilton Oil Co., which has producing properties in Oklahoma and Texas. This company has been especially active in the Mexia and Orange fields of Texas. A few days ago the Hamilton Co. brought in a five-hundred barrel well in the Orange district.

PENMAN'S

Considering the present interest rate of 8 per cent. Penman's common does not at first glance seem an attractive buy around 148. But the statement presented this week was an excellent one, indicating a very profitable year. Substantial sums were written off and put to reserves to still further strengthen the company's position. It is these annual evidences of conservative building that make Penman's such an attractive security, assuring the present dividend and giving promise of a return in time to the former rate of 8 per cent. plus a 2 per cent bonus. The company has $2,000,000 of bonds outstanding due in November 1926 and no sinking fund has been built up against the issue, but assets include over $200,000 of Victory bonds which might be considered as a sinking fund for these bonds. And with about $3,300,000 in an active surplus the company's ability to reduce the mortgage indebtedness considerably at the maturity of the bonds cannot be called in question.

STEEL OF CANADA

Steel of Canada has been active of late, moving up several points. Interest centers around the activity of the company's plants. Recently the C. N. R. placed orders with the concern that will keep the Hamilton works going full time for a month or six weeks. Both blast furnaces and four open hearths are operating. The heavy car orders placed with other companies by the C. N. R. will help Steel of Canada also.

MONTREAL POWER

Montreal Light, Heat and Power continued this week its climb. Rated as one of the best established utilities on the continent, "Power" is reaching the position promised for it years ago by its optimistic supporters. The stock opened the year two or three points over par and is now at the 118 mark, the highest point on record. The present movement has been given added stimulus by the excellent earnings of the first month of the year, which THE FINANCIAL POST learns were greatly over the figures for the previous January.

THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

We offer the following list of well-secured investments:

- *$50,000—City of Montreal 5% Bonds, due 1st May, 1954; price 97 N.Y. .....
- $50,000—City of Quebec 5% Bonds, due 1st. Feb., 1953; price 97.72 Can...
- *$25,000—Abitibi P. & P. 6% Bonds, due 2nd Jan., 1940; price to yield....6.40%
- $35,000—Dominion Coal 5% Bonds, due 1st May, 1940; price to yield ...5.37%
- $25,000—Dominion Textile 6% Bonds, due 1st. Sept. 1949; price to yield 5.94%
- *$50,000—Provincial Paper 6% Bonds, due 1st. May, 1940; price to yield 6.10%
- *$5,500 Ottawa Gas 6% Bonds, due 1st. Mar., 1939; price to yield 5.85%

*—Principal and interest payable in New York funds.

THE
National City Company
LIMITED
10 King St. E. Toronto Tel. Main 6120
74 Notre Dame W. Montreal Tel. Main 649

MANUFACTURERS

We are now ready to quote some very attractive contract prices on coal and coke. Kindly write advising tonnage you expect to require.

Acme Coal and Coke Co. Limited.
C.P.R. BUILDING Adelaide 5562 TORONTO

The Real Estate Loan Company of Canada, Limited

BALANCE SHEET AS AT 31st DECEMBER, 1922

ASSETS

Real Estate held for sale		$ 46,432.35
Loans on Mortgage:—		
Principal	$1,054,827.89	
Interest due and accrued	24,287.13	
		1,079,115.02
Loans on Government Bonds		1,548.66
Dominion of Canada Victory Loan	$ 15,050.64	
Canadian Municipalities, School Districts and Rural Telephone Debentures	111,869.49	
		126,920.13
Cash in Chartered Banks, on hand and with Debenture Agents in Great Britain		43,861.07
		$1,297,877.23

LIABILITIES

To the Public—			
Sterling Debentures and Interest accrued thereon		$428,085.65	
Currency Debentures and Interest accrued thereon		54,784.24	
Open Accounts	$ 857.33		
Reserve for Accrued Taxes	4,500.00		
		5,357.33	
			$ 488,227.22
To the Shareholders—			
Capital Stock Subscribed $500,000.00			
Capital Stock fully paid		$500,000.00	
Rest	$260,000.00		
Contingent Fund	25,000.00		
		285,000.00	
Dividend No. 72, payable 2nd January, 1923		17,500.00	
Dividends Unclaimed, etc.		708.50	
Profit and Loss Account		6,441.51	
			809,650.01
			$1,297,877.23

PROFIT AND LOSS ACCOUNT—For Year Ending 31st December, 1922

Interest paid and accrued on money borrowed	$28,290.54
Expenses of Money Borrowed	2,397.38
Cost of Management	13,427.19
Government and Municipal Taxes paid and accrued	5,684.08
Dividends Nos. 71 and 72	35,000.00
Transferred to Rest	5,000.00
Balance carried forward	6,441.51
	$96,240.70

Balance forward, 31st December, 1922	$5,403.14	
Less: Voted at Annual Meeting to President and Vice-President	1,200.00	
		$ 4,203.14
Income from Interest on Investments		92,037.56
		$96,240.70

EDMUND WRAGGE, President.

E. L. MORTON, Managing Director.

AUDITORS' CERTIFICATE

We have audited the books and accounts of the Real Estate Loan Company of Canada, Limited, for the year ending 31st December, 1922, and have verified the cash, bank balances and securities of the Company. After due consideration we have formed an independent opinion as to the position of the Company. In our opinion so formed and according to the best of our information and explanations given to us, we certify that the above statements set forth fairly and truly the state of affairs of the Company and are in accordance with the books. All transactions of the Company that have come within our notice have been within the powers of the Company.

Toronto, 24th January, 1923

S. W. BLACK
H. D. LOCKHART GORDON F.C.A., Can.
Auditors.

THIRTY-NINTH ANNUAL REPORT OF THE

Portage la Prairie Farmers Mutual Fire Insurance Company

Officers and Directors:

Honorary President, THOMAS SISSONS.
President, E. H. MUIR.
Vice-President, M. G. TIDSBURY.
Treasurer, A. H. THORPE.
Inspector and Valuator, T. H. LAMONT.
Manager and Secretary, STRATTON WHITAKER.
Directors: E. H. MUIR, M. G. TIDSBURY, JAS. McKENZIE, P. D. McARTHUR, JOS. W. YUILL, JOS. TRIMBLE, ROBT. McDERMOTT.

FINANCIAL STATEMENT

RECEIPTS

Balance in Bank, Dec. 31, 1921	$ 64,230.38
1922 Assessments	368,320.15
Prior Assessments	27,935.49
Cash Premiums	14,080.75
Interest on Bonds and Deposits	5,452.08
Reinsurance on Loss Claims	31,454.05
	$511,472.90

EXPENDITURES

Loss Claims	$349,059.26
General Expenses	66,495.04
Reinsurance	29,575.63
Refunds	3,090.27
Government Deposit for Cash Premiums	5,000.00
Balance in Bank of Montreal	58,252.70
	$511,472.90

ASSETS

Bal. of Prem. Notes, Dec. 31, 1922	$780,408.16
Cash in Bank	58,252.70
Provincial Government Farm Loan Bonds	70,000.00
Deposit with Government	5,000.00
1922 Assessment Unpaid	123,598.51
Accrued Interest	1,980.00
Reo Truck, Depreciation Deducted	1,260.00
Office Building, Site and Furniture, after allowing for depreciation	14,600.00
	$1,055,099.37

LIABILITIES

Reserve for Cash Premiums	$ 13,181.00
Balance of Assets over Liabilities	1,041,981.37
	$1,055,099.37

AUDITORS' REPORT

734 Somerset Block, Winnipeg, Man., January 18, 1923.

To the President and Directors, Portage la Prairie Farmers' Mutual Fire Ins. Co.,
Portage la Prairie, Man.

Gentlemen: I beg to report having audited the books and accounts of the Company continuously throughout the year.

The Bonds owned by the Company have been verified and the accompanying statements agree with the books of the Company and I certify same to be correct.—Yours respectfully,

C. D. CORBOULD, C.A.

Insurance Written During 1922	$26,503,633.00
Increase for the Year	1,544,993.00
Total Amount Business in Force	72,017,325.00

All Claims, whether Fire, Lightning or Windstorm, received during 1922, have been paid. There are no outstanding loss claims.

SIXTH ANNUAL REPORT
of the
Brompton Pulp and Paper Company
LIMITED
for the Year Ending 31 December, 1922

DIRECTORS

F. N. McCREA, M.P., President.
H. W. BEAUCLERK, Vice-President
W. N. MUNROE, Treasurer
J. A. BOTHWELL, General Manager.
J. N. GREENSHIELDS, K.C.
C. C. WILSON
E. W. TOBIN, M.P.
H. E. MUNROE
E. LANGUEDOC, K.C.
T. McAVITY STEWART
C. G. GREENSHIELDS, K.C.

Consolidated Profit and Loss Account
As at 31st December, 1922

EARNINGS:			
After deducting Administrative Expense, Selling Expense and Income Tax		$1,607,212.64	
Deduct:			
Depreciation	$366,589.27		
Bond Interest	362,783.33	729,372.60	$877,840.04
Deduct:			
Dividend on Clarement Preferred Stock			17,500.00
Net Surplus for the period			$860,340.04

Audited and Approved—J. H. BRYCE, Certified Accountant.

Consolidated Balance Sheet as at 31st December, 1922

ASSETS

CURRENT ASSETS:			
Cash	$ 288,793.35		
Accounts Receivable	1,414,199.39		
Notes Receivable	22,500.00		
Investments	82,150.00		
Inventory of Logs, Pulpwood, Lumber, Paper, Mill Supplies and advances on Wood operations	3,364,309.60		
Deferred Charges:			
Insurance and Interest prepaid	49,699.19		
Total Current Assets			$5,221,651.53
FIXED ASSETS:			
Freehold and Leasehold Timber Lands, Real Estate, Buildings, Water Powers, Mills, Milling Plant, Warehouses, Craft, etc.			18,070,952.30
			$23,292,603.83

LIABILITIES

CURRENT LIABILITIES:				
Bank Loans		$1,570,000.00		
Bills Payable, Trade		580,156.54		
Accounts Payable, Sundry Trade Balances		607,577.52		
Accrued Charges, including Bond Interest, Pay Rolls and Profits Taxes		641,658.64		
Total Current Liabilities				$ 3,399,392.70
CAPITAL LIABILITIES:				
Bonds and Serial Notes: Brompton Pulp & Paper Co., Ltd., Six Per Cent. First Mortgage Sinking Fund Bonds, Due 1927:				
Authorized	$1,000,000.00			
Redeemed	896,000.00			
		$104,000.00		
Six Per Cent. First Consolidated Mortgage Sinking Fund Bonds, Due 1935		2,000,000.00		
Unissued	$294,000.00			
In escrow to provide for 1st Mortgage 6% Bonds due 1927	104,000.00			
Held by Groveton Paper Co., Inc.,	133,000.00			
Redeemed	658,000.00			
	1,189,000.00	811,000.00		
Six Per Cent. General Mortgage Sinking Fund Bonds Due 1939:				
Authorized	1,000,000.00			
Redeemed	61,800.00			
			938,200.00	
Convertible Eight Per Cent. Mortgage Sinking Fund Bonds, Due 1941:				
Authorized	$3,000,000.00			
Issued		1,750,000.00		
		$3,603,200.00		
Groveton Paper Co., Inc.,				
Six Per Cent. First Mortgage Gold Bonds, Due 1935		1,250,000.00		
Serial Land Purchase Notes Maturing $50,000.00 Annually		300,000.00		
				5,153,200.00
RESERVES:				
Depreciation		2,053,159.65		
Bad Debts		54,821.89		
				2,107,980.54
CAPITAL STOCK:				
Brompton Pulp and Paper Co., Ltd.,				
Preferred:—Authorized and issued 20,000 Eight Per Cent. Cumulative Preferred Shares of $100 each fully paid		2,000,000.00		
Common:—Authorized 210,000 Shares no par value: Issued and fully paid, 140,000 shares no par value		7,000,000.00		
Claremont Paper Co., Inc., Preferred Authorized and issued, 2,500 shares of $100.00 each		250,000.00		
				9,250,000.00
SURPLUS:				
As on December 31st, 1921		2,521,690.55		
Add earnings for year		1,607,212.64		
		4,128,903.19		
Deduct:				
Depreciation	366,589.27			
Bond Interest	362,783.33			
Claremont Paper Co., Inc., Preferred Stock Dividend	17,500.00	746,872.60		3,382,030.59
				$23,292,603.83

Contingent Liabilitites:
Trade Paper Under Discount 133,990.17

AUDITOR'S REPORT:

I have audited the accounts and vouchers of the Brompton Pulp & Paper Co., Limited, and its Associated Companies, for the year ending December 31st, 1922.

I have obtained all the information and explanations which I have required and, in my opinion, this Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs and the affairs of its Associated Companies, according to the best of my information and as shown by the books, as on December 31st, 1922.

J. H. BRYCE,
Certified Accountant.

Approved on behalf of the Board,
H. W. Beauclerk, Director.
J. A. BOTHWELL, Director.

Report of the Directors to the Shareholders

Montreal, February 15th, 1923.

Your Directors submit herewith the Consolidated Annual Report of the Company, together with Balance Sheet, as at the 31st day of December, 1922.

This Statement includes the operations of the Brompton Pulp & Paper Co. Limited, for a period of 14 months, the Groveton Paper Co., Inc. for 12 months, and the Claremont Paper Co. Inc. for 12 months.

The Financial Statement for this period shows earnings, after all Expenses and Taxes, of $1,607,212.64, from which amount is deducted Depreciation, $366,589.27; Bond Interest, $362,783.33; Claremont Preferred Stock Dividend, $17,500.00; leaving a balance of $860,340.04 carried forward to the credit of Profit and Loss Account.

While the first half of the period covered by the above statement was anything but satisfactory, conditions during the latter half steadily improved, so that the outlook for the present year is now most promising.

Your Company retired during the past year $175,000.00 of its Bonds. All your properties have been maintained in first class condition, and inventories taken at prices below the present market.

At its inception your Company had Fixed Assets of $8,896,000.00, whereas the present Balance Sheet shows Fixed Assets at over $18,000,000.00; showing an increase of over $9,000,000.00 in Fixed Assets; against this in 1916 Fixed Liabilities including $2,000,000.00 Preferred Stock amounted to $3,524,000.00 and your present Balance Sheet shows Fixed Liabilities including $2,250,000.00 Preferred Stock at $7,403,000.00; showing an increase of $3,879,000.00. There is therefore an increase in Fixed Assets over Fixed Liabilities at the present time of over $5,250,000.00; and we may state that our Assets are conservatively valued.

Your Board of Directors wishes to express its sincere appreciation of the manner in which the staff and entire organization of the Company have performed their duties.

Submitted on behalf of the Directors.

F. N. McCREA, President.

MINING CORP. HAS STRIVEN HARD TO SECURE NEW FUNDS

Pres. Watson Believes Lorrain Properties of Great Promise

MADE FAIR PROFIT

Deficit of 1921 is Wiped Out—Manager Fairlie's Report Shows Cobalt Properties About Through

A great effort has been put forth by the Mining Corporation of Canada to ensure a continued prosperity or the organization. Looming up a considerable distance ahead is the big Flin-Flon proposition in northern Manitoba, but in the meantime the Cobalt properties were being rapidly exhausted and the problem, "anxiety" says President J. P. Watson, has been to fill in the gap which must come between the period when the Cobalt properties are completely exhausted and the time when the Flin-Flon venture begins to produce profits.

No company operating in Northern Ontario has tried so hard and persistently to find new properties for its shareholders as the Mining Corporation. The Cobalt properties will about end their usefulness in 1923, but the effects of the past year seem to have, to use the term of the president, "filled the gap." This refers to the success of the Corporation in South Lorrain. A total of 363 acres were secured in that camp and in the property adjoining the Keeley encountered some spectacular ore. The annual report says high-grade shoots, small and irregular, have been found. In the meantime also the corporation has taken a lease of the Peterson Lake property and also the Farrar. The Peterson Lake is an area of promise. Serious efforts are also being made to test out a property in Lightning River and diamond drilling is to be carried on.

Of the many property offers made during the year the corporation had 69 examined. Of these 58 per cent. were in the Dominion. Mexico, U.S. and Russia also figured in the consideration of the year. The report says that the gold mine of the corporation at Chebakee, Russia, is in the same position as it was at the end of 1921. Early resumption of work there seems no nearer than it did five years ago.

Rather interesting is the feature of the report dealing with Manitoba, in the vicinity of the Flin-Flon. No work was done on this property, but considerable exploration and prospecting was carried out in the vicinity with the result that a large number of claims were staked. Some of these extend into Northern Saskatchewan. This area is north of the Pas.

The report of M. F. Fairlie, resident manager at Cobalt, shows that ore reserves are practically negligible in the Cobalt properties. Mr. Fairlie says that a large proportion of last year's ore came from previously stoped areas where sampling showed values to exist. This condition must continue in the future and an estimate of the ore in place is particularly hard to make as values are no longer in high grade veins, but almost entirely in small stringers with silver-bearing wall rock, scattered over the old workings. Of the 1921 ore reserves probably 19,585 tons of broken ore remain in the stopes.

The wisdom of the corporation's purchase of the Old Buffalo has again been shown, this property in 1922, producing the lion's share of the years's silver. This amount was $965,-036 ounces while the old properties produced 338,638. Mr. Fairlie reports that 54,362 tons of old tailings were reclaimed from the bed of Cobalt Lake and treated, the return being 4 or 5 ounces, netting a small profit. He says that the price of silver will determine whether or not the treatment shall be resumed during the year.

Profit during the year was $41,965 as against a deficit of $522,434 in 1921. The total silver production was 1,462,268 which was sold at an average of 71.34 cents, as compared with 1921 average of 75.99.

The figures for 1922 and those of 1921 for comparison show the position of the corporation:

	1922	1921
Silver prod., oz.	1,462,268	1,226,716
Net profits	$41,965	x $522,484
Total income	$423,014	$578,913
Income per ounce in cents	85.07	116.83
Balance profit and loss	2,778,159	2,746,194
Cash in bank and on hand	433,237	95,017
Total assets	11,180,689	11,125,945
Profit per ounce in cents	9.64	101.71

x Loss.

CANADA FORGINGS BUSY

Outlook for The Present Year is Reported Good

Foundaries and Forgings is facing an improved demand for its various products as compared with this time in 1922. Book orders are considerable in excess of 1922. During the last year the net operating profit was $74,342, and after taking care of depreciation charges, the surplus amounted to $17,312. Operation results provided a total of $87,614. Operations in 1921 showed a loss of $3,704, after providing for depreciation. Bank and bond interest, etc., made the total $58,211.

British Funds Waiting for Exchange to Rise

The improvement in sterling exchange and its relationship to British capital for mortgage investment in Canada was referred to at the annual meeting of the Sterling Trust Corporation by the vice-president, Norman Sommerville, K.C. Up to the latter part of last year it had not been possible to bring out from the Old Country funds for investment, because of the exchange rate. With some further improvement there was no doubt in the world that there would be during the coming year a large influx of Old Country capital.

WORKING CAPITAL OF B.E. STEEL CORP. INCREASED IN 1922

Prospects for 1923 Somewhat Improved Thinks President Wolvin

From Our Own Correspondent.

MONTREAL.—Further analysis of the balance sheet of British Empire Steel Corporation for the year ended December 31 last, which was reviewed briefly in THE FINANCIAL POST last week reveals an excellent improvement in the working capital of the corporation which now stands at $17,789,049 as against $14,364,860. This is a result of the financing during the year that converted heavy bank loans into funded debt.

Working Capital

	1922	1921
Current Assets—		
Inventories	$12,646,893	$15,061,416
Accts. rec.	6,727,871	5,637,530
Other accts.	516,636	722,261
War bonds, etc.	62,736	514,880
Cash	2,693,242	1,080,673
	$22,647,378	$23,016,761
Current Liabilities—		
Bank loans	$ 1,016,695	$ 4,682,024
Accts. pay.	3,269,882	3,471,648
Interest acc.	571,752	4,858,329
	$ 4,858,329	$ 8,651,901
Bal., work. cap.	$17,789,049	$14,364,860

The president, Roy M. Wolvin, holds forth hope for a better year in 1923 and says:

"The item cost of properties shows a net decrease of $2,774,683.13 from the corresponding figures upon the Balance Sheet submitted at the last Annual Meeting. During the year the sum of $853,115.76 was expended for additions and improvements upon the properties of the Constituent Companies, and the sum of $3,627,798.89 was added to Reserves for Depreciation, Exhaustion, etc., and deducted from Cost of Properties. This amount is much larger than is usually reserved in a single year's accounts, your Directors having applied $2,000,000 to the amortization of the cost of the Plate Mill out of the payment received in settlement of the claim of Dominion Iron and Steel Company for damages due to the cancellation of the Government Contract for steel plates. The total amount now standing at credit of Depreciation Reserve is $27,009,896. The aggregate amount of Funded and Mortgage Debt against these properties is $36,645,490.65 which includes an amount formerly **carried in Deferred** Payments on Properties which is now funded in payments extending over a period of fifteen years. The only addition to Mortgage Debt was caused by the issue of $4,645,000 5 per cent. Consolidated Mortgage Bonds of Dominion Iron & Steel Company in December. Bonds to the amount of $528,241 were paid off through the operation of Sinking Fund."

Discussing the finances of the corporation he says:

"The prospects for the current year are more favourable. There is promise of greater activity in the demand for iron and steel and already a number of contracts have been made for pig iron and various kinds of steel, railway cars and other railroad supplies.

"Although active competition is expected from producers in the United States it is anticipated that shipments of coal to the St. Lawrence District, which have now been re-established, will be maintained in volume, and that increasing industrial activity will result in larger demand throughout the territory which your Companies can most readily supply."

The Victoria Loan & Savings Company

Twenty-Seventh Annual Report

Submitted to the Shareholders at their annual general meeting held in the Council Chamber, Lindsay, on Tuesday, February 6th, 1923

The Directors have much pleasure in submitting herewith the twenty-seventh Annual Report giving the result of the Company's operations for the year ending December 31st, 1922, duly audited.

The net profits for the year, after deducting interest paid, cost of management, Government Income Tax and all other expenses amounted to $101,810.69. Adding to this $6,142.31 carried forward in Profit and Loss Account, and $15,407.75 Premium on Capital Stock sold during the year, makes a total of $123,360.75 for distribution. Out of this we have paid dividends of nine per cent. amounting to $65,555.70 transferred to Reserve Fund, $50,000.00 and carried forward $7,805.05 in Profit and Loss Account.

The constant and rapid growth of the Company's Reserve Fund amounting as it now does to 63½% of the Capital must be highly satisfactory to Shareholders and depositors alike and suggests that the time is not far distant when the Reserve Fund will equal the Capital.

The general business of the Company is in a most healthy condition and the very substantial growth in business during a period of so-called deflation only goes to demonstrate the Company's constantly growing sphere of operations.

A By-law will be submitted, of which special notice is herewith enclosed, asking for additional powers so that the Company may act in the capacity of Executor, Trustee, Etc., and should this meet with the approval of the Shareholders it will constitute another splendid milestone in the Company's progress.

All of which is respectfully submitted.

WILLIAM FLAVELLE,
President.

Lindsay, January 12th, 1923.

BALANCE SHEET FOR THE YEAR ENDING DECEMBER 31st, 1922

ASSETS		
Office Premises		$ 24,522.24
Real Estate held for sale		63,655.08
Mortgages—		
Principal	$2,550,510.13	
Interest	103,150.41	
		2,653,660.54
Loans on Company's own Stock		24,580.71
Loans on other Securities		17,419.28
Bond Securities:		
Dominion of Canada and Provinces of Canada		117,972.21
Canadian Municipalities, School Districts and Rural Telephones		690,790.87
Other Bonds		10,504.00
Bank Stocks		7,770.00
Cash on hand and in banks		110,886.70
		$3,721,761.63

LIABILITIES:		
To the Public:		
Debentures	$1,405,028.79	
Debentures		$1,405,028.79
Deposits		1,053,068.61
Other Liabilities		25,142.80
		$2,483,240.20
To the Shareholders:		
Capital fully paid up		742,085.73
Reserve Fund		472,000.00
Unclaimed Dividends		82.50
Dividend Declared and unpaid		16,548.15
Profit and Loss Account		7,805.05
		$1,238,521.43
		$3,721,761.63

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING DEC. 31st, 1922

Balance brought forward from 1921	$ 6,142.31	
Net Profits for year after deducting cost of management and all other expenses	101,810.69	
Premium on Capital Stock sold	15,407.75	
		$123,360.75

APPROPRIATED AS FOLLOWS:

Quarterly Dividends Nos. 79, 80, 81, 82	$ 65,555.70	
Transferred to Reserve Fund	50,000.00	
Balance Carried Forward	7,805.05	
		$123,360.75

RESERVE FUND

Balance at credit December 31st, 1921	$422,000.00	
Transferred from Profit and Loss Account and Premium as shown above	50,000.00	
		$472,000.00

AUDITORS' CERTIFICATE

We have examined and hereby certify as correct the accounts of the Victoria Loan and Savings Company for the year ending December 31st, 1922. We have examined the securities held by the Company and found them to be in order. We certify that the foregoing Profit and Loss Account and Balance Sheet are accurate statements of the affairs of the Company.

RUTHERFORD WILLIAMSON, (F.C.A.),
HAROLD A. SHIACH, C.A.
Auditors.

Lindsay, Ontario, January 9th, 1923.

The following Directors were elected for the ensuing year: W. Flavelle; R. J. McLaughlin, K.C.; W. H. Clarke, M.D.; W. H. Stevens, B.A.; H. J. Lytle; J. B. Begg; T. H. Stinson, K.C.; W. Walden and C. E. Weeks.

At a subsequent meeting of the Directors, Mr. W. Flavelle was elected President, and Messrs. R. J. McLaughlin, K.C.; W. H. Clarke, M.D. and W. H. Stevens, B.A., were elected Vice-Presidents.

FINLAND'S INDUSTRIES

"Trade and Industry of Finland" is the subject of a handsome bound volume recently published in Helsingfors, Finland, a copy of which has been sent to THE FINANCIAL POST by the minister of Foreign Affairs of the Republic of Finland, through Erick J. Korte, vice-counsul in Canada. The volume is a large and complete one. It is published in English and profusely illustrated, showing some of the beauties of the Republic and following with reviews and illustrations of the leading financial and industrial companies. To Canadians, the review of the pulp and paper industry is of no little interest, inasmuch as the pulp and paper industry of the Scandinavian countries is the only real competitor which the Dominion has.

Get 4% on your Savings

The Government of the Province of Ontario offers you absolute security for the savings you deposit in the Province of Ontario Savings Office.

It offers you 4% interest compounded half-yearly, one-third higher than the ordinary rate of interest paid.

It offers you the privilege of drawing upon your account by cheque, and the usual banking accommodation.

It offers you convenient office hours and convenient location in the centre of the down-town section of Toronto. Open an account to-day.

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—Saturday—
9.30 a.m. to 12 noon.

Province of Ontario Savings Office

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TORONTO BRANCHES:
Cor. University Ave. and Dundas Street West,
and
Cor. Bay and Adelaide Sts.

OTHER BRANCHES AT:
Hamilton, St. Catharines, Brantford, Woodstock, Seaforth, Walkerton, St. Marys, Pembroke, Owen Sound, Aylmer, Newmarket and Ottawa.

BROMPTON BUILDS UP GOOD WORKING CAPITAL ACCOUNT

Earned About $5 on Common in Fourteen Month Period

APPLIES TO CANADA

Enlargement of Balance Sheet to Include American Companies Alter All the Figures Considerably

From Our Own Correspondent.

MONTREAL.—Analysis of the annual statement of Brompton Pulp and Paper Company for the fourteen months ending December 31 last, is particularly interesting in view of the report last summer on the company's operations, by R. O. Sweezey. Mr. Sweezey referred to a depletion in working capital and advised the building up of a substantial liquid reserve. The report now issued shows an increase in working capital in the year from $579,992 to $1,822,258.

Net earnings for the year totalled $1,607,213 as compared with $1,097,784 in 1921. After depreciation, bond interest and a small dividend on the preferred stocks of a subsidiary there was a surplus to carry forward of $860,340. This compares with $113,010 in the previous year.

Report Covers More Ground

The 1922 report is not fairly comparable with the 1921 report as it covers fourteen months instead of twelve, bringing the end of the fiscal year forward from October 31 to December 31 and because it covers also the operations of the two United States mills of the company. Even with allowance for these factors the report shows up very favorably. It holds out no prospect for common dividends and despite the desire of the company to increase its liquid reserve suggests, though it does not promise, preferred dividends. The earnings may be analyzed as follows:

Earn. after ex.	$1,607,213	$1,097,784
Depreciation	366,589	244,000
	$1,240,624	$ 853,784
Bond int.	362,783	200,774
	$ 877,840	$ 653,010
Pref. divs.	17,500	155,000
	$ 860,340	$ 498,010
Com. divs.		385,000
Surplus	$ 860,340	$ 113,010

This shows that the 8% preferred dividend was earned over five times. On the common there was earned about $5 after allowing for preferred dividends. This was at the rate of a little over $4 for a twelve month period. This compares with about $3.50 in 1921.

The president states that "while the first half of the period covered by the statement was anything but satisfactory, conditions during the latter half steadily improved so that the outlook for the present year is now most promising." This is an optimistic statement for your shareholders to digest.

Fixed Assets Must Change

The balance sheet reflects its enlarged scope. Fixed assets have a valuation of $18,070,952, much over the previous report's figure of $11,001,825. The excess of current liabilities over current assets has improved by about $1,250,000. The president states:

> "Your company retired during the past year $175,000 of its bonds. All your properties have been maintained in first class condition, and inventories taken at prices below the present market.
>
> "At its inception your company had fixed assets of $8,896,000, whereas the present balance sheet shows fixed assets at over $18,000,000, showing an increase of over $9,000,000 in fixed assets; against this in 1916 fixed liabilities including $2,000,000 preferred stock amounted to $3,524,000 and your present balance sheet shows fixed liabilities including $2,250,000 preferred stock at $7,403,000; showing an increase of $3,879,000. There is therefore an increase in fixed assets over fixed liabilities at the present time of over $5,250,000; and we may state that our assets are conservatively valued."

BIRD AND SON'S GOOD YEAR

Profits in 1922 Were $82,479—Many Orders Ahead.

Bird & Son experienced a good demand for their product during 1922, and wound up the year with substantial profit. This, despite material reductions made in the price of the company's product. Orders on hand now considerably exceed those of a year ago. Net profits after depreciation and taxes were taken care of were $82,479. Dividends on the new issue of 7 per cent. cumulative preferred stock for the last six months of the year were $14,000.

The statement of assets and liabilities shows capital assets valued at $799,875. Against this amount there is a depreciation reserve amounting to $208,138. Current assets at $454,796 compare with current liabilities amounting to $120,248. Inventories are carried at $276,945, and bills receivable at $150,189. Accounts payable total $72,580. A further item not included in the accounts payable total represents bank loans amounting to $30,000.

SHIPPED FIRST CAR OF PAPER

The Westminster Paper Mills Limited, having a plant recently completed at a cost of approximately $250,000 on the old Indian Reserve, New Westminster, has shipped its first car load of tissue paper to Winnipeg. The mill is owned by a group of Ontario and Wisconsin operators, headed by Peter Onkles, A. Onkles, Henry Lord and Daniel and Michael Herb.

Ontario Blue Sky Law Better Than Michigan's

That the proposed blue-sky legislation or fraud bill proposed in Ontario will do no harm to sellers of high-grade securities but should serve as protection for investors is the opinion of A. R. Bartlet, a Windsor barrister, who has investigated the bill on behalf of the Border Chamber of Commerce and has come to the conclusion that it is decidedly an improvement over the legislation in Michigan. A strong point, according to Mr. Bartlet, is that the commissioner of securities to be appointed under the act, is to be authorized at any time to stop the sale of stocks or bonds he does not regard as being properly handled.

HOWARD SMITH CO. INCREASED SALES AND NET PROFITS

Big Sums Put to Reserves to Get Company on Rock Bottom

From Our Own Correspondent.

MONTREAL.—It is evident from the annual financial report of Howard Smith Paper Mills that the common dividend might have been maintained on the former basis of eight per cent. instead of being cut to six per cent. as was done last spring. But the directors took the courageous step in cutting the dividend and carried their policy of getting down to a rock bottom basis of soundness still further by slashing into the balance of profits to write off $95,491 for depreciation and to put $115,020 into reserves. This latter sum is divided as follows: general reserve, $48,977; contingency reserve, $41,048 and write-off on trade marks, $24,994.

Sales increased by about a million dollars and stood at $3,908,246 for the twelve months of 1922 as compared with $2,908,544 in 1921. Operating profit came to $691,370, an increase from the previous total of $511,790, but still much below the 1920 total. As will be seen from study of the following table of the profit and loss, balance carried forward is somewhat smaller than last year:

	1922	1921	1920
Op. profit	$691,370	$611,793	$1,087,380
Sund. rev.	2,169	1,519	2,518
Total inc.	$693,540	$613,313	$1,089,899
Bond int.	197,941	141,681	78,000
Balance	$495,599	$471,632	$1,011,899
Pfd. divs.	120,000	120,000	120,900
Balance	$375,599	$351,632	$ 891,899
Com. divs.	220,720	279,932	220,800
Balance	$154,879	$ 71,699	$ 671,099
Prev. bal.	71,699	......	......
Total	$226,577	$ 71,699	$ 671,099
Depreciation	95,491	......	196,216
Balance	$131,086	$ 71,699	$ 474,883
To reserves	115,020	......	107,950
Balance	$ 16,065	$ 71,699	$ 366,933
Written off	......	......	366,933
P. & L. bal.	$ 16,065	$ 71,699	......

The balance sheet shows a more liquid condition, cash on hand and inventories being somewhat increased and bank loans and accounts payable being reduced. Properties are carried at a higher valuation, $8,315,825 as against $7,058,789 representing the completion of the Cornwall bleach plant, the Crabtree groundwood plant, as well as improvements to the Gaspe barking plant and saw mill. Offsetting this increase to some degree is an increase from $2,464,400 to $3,296,000 in the outstanding bonds of the company.

The president, C. Howard Smith, informs the shareholders of an increase in the export business of the company.

OUR PULP AND PAPER EXPORTS STILL GROW

In January They Increased Over Figures for December in Both Pulp and Paper

From Our Own Correspondent.

MONTREAL.—Canadian exports of pulp and paper continues to show improvement. In January, the exports of both pulp and paper were greatly over the January, 1922, figure and show slightly larger than December totals.

Paper exports had a value of $6,604,975 as compared with $5,377,465 in January, 1922. The exports represented newsprint chiefly and in this commodity there was an increase of 300,000 cwts.

Exports of wood pulp show a good increase but the full amount of the larger tonnage was not reflected in the values owing to lower prices. Sulphate pulp increased from $609,943 to $683,759. Sulphate bleached from $1,072,091 to $1,201,330: sulphite, unbleached, from $631,910 to $811,262 and mechanical pulp showed a decline from $1,140,071 to $994,917 although the quantity was slightly larger. The net result was an increase from $3,454,015 to $3,698,268 for the month in all pulp. The destination of the exports was as follows:

	Paper	Pulp	Total
U. States	$6,227,481	$3,058,705	$9,286,186
U. King.	135,893	360,103	495,996
Oth. coun.	241,601,	274,460	516,061
	6,604,975	3,693,268	10,298,243

For the first ten months of the fiscal year paper exports showed a total increase from $56,473,800 to $62,993,785 and wood pulp exports from $30,262,955 to $35,625,180.

In tonnage, newsprint exports were almost 50 per cent. greater; book paper exports doubled and wood pulp exports were greater by about 40 per cent.

PENMAN'S PROFITS ON THE UPGRADE AFTER 1922 DROP

Surplus Account Restored to Level of Two Years Ago

From Our Own Correspondent.

MONTREAL.—After two years of declining profits, Penman's seems to have started on the upgrade again. The annual report for the year ending December 31, 1922, reveals substantial earnings, sufficient to put nice sums to depreciation and other accounts after paying bond interest, to pay the preferred dividend and 8 per cent. on the common and still carry forward to the profit and loss surplus enough to replace the sums withdrawn last year to continue the common dividends.

Gross sales increased by 30 per cent. and were on a more profitable basis. They totalled $6,224,740 as against $4,789,052 in 1921. On this turnover there were net profits of $731,034 as compared with $223,856 in 1921. The figure is still less than half the profits of the peak year of 1919, when the profits were $1,523,033. The record for six years has been as follows:

	Profits	Avail. for Common	Common Divs.
1917	$1,135,745	$851,018	$107,530
1918	1,358,331	717,502	161,295
1919	1,523,033	803,814	145,165
1920	460,305	250,805	209,683
1921	223,856	59,356	215,060
1922	731,434	367,231	172,048

The profits for 1922 were distributed as follows:

Profit and Loss Account

	1922	1921	1920
Profits	$731,434	$223,856	$460,305
Bond interest	100,000	100,000	100,000
Depreciation	100,000	......	......
Taxes	40,000	......	45,000
Writ. off mach.	42,625	......	......
Bad debts	17,078	8,806	......
Pref. div. 6%	64,500	64,500	64,500
Avail. for cm.	$367,231	$ 59,356	$250,805
Com. div.	172,048	215,060	209,683
Balance	$195,183	$164,510*	$41,122
Forward	880,882	1,045,391	1,004,269
	1,076,065	880,882	1,045,391

* Deficit.

Penman's is an excellent position as regards working capital. Current assets total $3,682,530 and current liabilities only $264,092. This indicates an active surplus—working capital—of $3,418,438, an increase during the year of $276,288.

The president, Sir Charles Gordon, concludes the report by stating that "in view of the very trying industrial conditions of the past few years, I am sure you will consider the results of our operations for the fiscal year just ended as extremely gratifying."

Victoria Loan Shows Further Healthy Growth

The annual report of the Victoria Loan & Savings Company shows a continued record of expansion and increasing profits. To the shareholders President William Flavelle states that the general business of the company is in a most healthy condition. The constant and rapid growth of the reserve fund has raised the total to 63½ per cent. of the $742,085 paid up capital.

Profit and Loss

	1922	1921	1920
Profits	$101,810	$ 91,158	$ 77,582
Bal. forward.	6,142	9,241	9,466
Prem. on stk.	15,408	25,426	16,000
	$123,360	$125,825	$103,048
Dividend	65,555	59,684	51,806
Reserve	50,000	60,000	42,000
Balance	7,805	6,142	9,242
	$123,360	$125,826	$103,048

Record of Progress

In 1900 at the end of the first five years the Company's Assets were:

	$ 231,910.00
In 1905, 2nd 5 years	419,188.00
In 1910, 3rd 5 years	706,014.00
In 1915, 4th 5 years	1,444,019.00
In 1920, 5th 5 years	3,292,848.00

Canadian-Connecticut Cottons to be Listed

From Our Own Correspondent.

MONTREAL.—Arrangements are being made to list Canadian Connecticut Cottons on the exchange and soon the wider market will be available to holders of this stock. There is outstanding $3,000,000 of 8 per cent preferred and $500,000 of non-voting common and $1,000,000 of voting common. There has been wide trading in the stock since the first of the year when preferred dividends were restored and in dealings among unlisted security brokers has gone from around 69 to present levels of 86-87.

Preferred dividends at the rate of 8 per cent. are now being paid but they are 12 per cent. in arrears—the stock being cumulative—and this brings it down to about 75 net at the present market.

The company was affected some time ago when the slump in the rubber market came. One of its chief sources of business is in the supply of cotton fabrics to tire manufacturers and when these concerns were hit the company suffered. The annual statement recently issued showed considerable improvement, however.

BRITISH EMPIRE STEEL

Announcement is made that the British Empire Steel Corporation will proceed at once with the erection of a powerful commercial radio station at Sydney, Nova Scotia. The chief object is to maintain constant communication with the Corporation's large fleet of steamers. It is also intended for communication with the Company's offices at the ore mines on Bell Island, Newfoundland, where a large station will also be erected.

CANADA FLOUR ANNUAL

Operations of 1922 Added $52,087 to Surplus Account

Canada Flour wound up 1922 with a surplus of $77,380. From this amount bond interest and preferred dividends, totalling $25,292 were taken and $52,087 added to surplus accounts. The position of the compony is a strong one. Assets now total $710,497 with liquid assets at $222,454. Current liabilities reduce this by $119,372, leaving a working capital of $103,082.

WHITEWATER FIND IN B.C. MOST IMPORTANT

One of the Richest Discoveries and Great Developments Are Expected

From Our Own Correspondent.

VICTORIA. — Eastern capitalists are showing renewed interest in British Columbia mining property, and the advance in the mineral market has been responsible for several large transactions during the last few weeks.

In the Whitewater field, in the Lillicate country, there have been a series of deals aggregating about $800,000, and announcement has just been made that C. F. Pretty has completed the bonding of several groups of claims for $550,000. R. W. Wood, A. B. Trites and W. R. Wilson have taken three groups of claims in the same district for bonds amounting to about $250,000.

The snow is still deep in the interior of the province and mining operations are therefore at a standstill, but with the spring thaw it is expected that there will be a bigger rush to the camps than has been experienced in a good many years. Major Angus Davis, resident engineer for the provincial government at Kamloops, has described the Whitewater as one of the richest gold discoveries in British Columbia and likewise one of the most important.

In the property acquired by Mr. Pretty the gold values are carried in quartz porphyry dykes from six to six hundred feet wide, which are plainly traceable for from five to seven miles. Through these dykes run rich veins carrying free gold and silver.

SMOKE
in ½lb. tins
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OLD CHUM SMOKING TOBACCO
OLD CHUM
The Tobacco of Quality

"Forty-Eighth Annual Statement"

The Standard Bank of Canada

To the Shareholders:

The Directors beg to present the following Statement of the business of the Bank for the year ended 31st January, 1923:—

Cr. **PROFIT AND LOSS ACCOUNT**

Balance forward, January 31st, 1922		$ 112,492.75
Profits for the year ending January 31st, 1923, after deducting expenses, interest accrued on deposits, rebate for interest on unmatured bills, Provincial taxes, and making provision for bad and doubtful debts		728,074.15
		$ 840,566.90

Dr.

Dividend No. 126, paid May 1st, 1922, at the rate of 14% per annum	$ 140,000.00
Dividend No. 127, paid Aug. 1st, 1922, at the rate of 14% per annum	140,000.00
Dividend No. 128, paid Nov. 1st, 1922, at the rate of 14% per annum	140,000.00
Dividend No. 129, payable Feb. 1st, 1923, at the rate of 14% per annum	140,000.00
War Tax on Note Circulation	40,000.00
Reserved for Dominion Income Tax	55,000.00
Contributed to Officers' Pension Fund	25,000.00
Balance carried forward	160,566.90
	$ 840,566.90

RESERVE FUND

January 31, 1923, Balance at Credit	$ 5,000,000.00

GENERAL STATEMENT

31st JANUARY, 1923

LIABILITIES

Notes of the Bank in circulation		$ 4,653,320.00
Deposits bearing interest (including interest to date)	$50,574,794.98	
Deposits not bearing interest	11,502,064.63	
		62,076,859.61
Dividend No. 129, payable 1st February, 1923		140,000.00
Former Dividends unclaimed		750.75
Deposits made by other Banks in Canada		1,356,884.36
Balances due to other Banks in Canada		688,890.47
Balances due to Banks and Banking Correspondents elsewhere than in Canada		509,057.18
Bills Payable		6,090.16
Acceptances under Letters of Credit		123,820.13
Liabilities not included in the foregoing		3,025.37
Capital paid up		4,000,000.00
Reserve Fund		5,000,000.00
Balance of Profit and Loss Account carried forward		160,566.90
		$78,719,264.93

ASSETS

Current coin held by the Bank	$ 1,769,469.41	
Dominion Notes held	9,222,301.00	
Deposit in the Central Gold Reserves	1,000,000.00	
		11,991,770.41
Deposit with the Minister for the purposes of the Circulation Fund	200,000.00	
Notes of other Banks	311,270.00	
Cheques on other Banks	3,375,561.71	
Balances due by other Banks in Canada	100,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	625,125.82	
Dominion and Provincial Government Securities not exceeding market value	7,883,503.36	
Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian	2,462,050.85	
Railway and other bonds, debentures and stocks not exceeding market value	1,082,051.50	
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks	3,376,097.46	
Call and Short (not exceeding thirty days) loans elsewhere than in Canada	700,000.00	20,115,660.70
		$32,107,431.11
Loans to Cities, Towns, Municipalities and School Districts		1,696,989.54
Other Current Loans and discounts in Canada (less rebate of interest)		42,398,816.69
Liabilities of Customers under Letters of Credit as per contra		123,820.13
Real Estate other than Bank Premises		281,540.00
Overdue Debts, estimated loss provided for		125,327.13
Bank Premises, at not more than cost, less amounts written off		1,879,023.16
Other Assets not included in the foregoing		106,317.17
		$78,719,264.93

W. FRANCIS, President. C. H. EASSON, General Manager.

Toronto, 31st January, 1923.

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have compared tne above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on 31st January, 1923, I certify that, in my opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities of the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON, F.C.A.,
of Clarkson, Gordon & Dilworth, Toronto, Canada.

Toronto, February 17th, 1923.

MONEY, BANKING AND EXCHANGE

LOSS UNDER THE MANITOBA RURAL SCHEME IS HEAVY

And Benefits Not Far-Reaching Says Commission Report

From Our Own Correspondent.

WINNIPEG.—The dramatic revelations of the Manitoba rural credits inquiry suggest that the investigation be widened to include the farm loans system and the "cow scheme." The Jackson-Collyer report undeniably is the outstanding sensation in the present Manitoba legislature. Since Provincial Treasurer Black tabled the report a week ago, a storm of protest has arisen, chiefly emanating from the rural credits directors who were chiefly censured. Directors and members of the Federation of Rural Credits Societies have been in conference in Winnipeg with George W. Prout, "father" of the movement. The press was excluded from these mee-tings but the Winnipeg Tribune states: "It is held by the association that the report is incorrect, superficial and unfair, and the feeling is prevalent that banks and private individuals opposed to the scheme had a hand in forming the report. The point is stressed that in 1920 Prof. W. T. Jackman, head of the late commission, made an exhaustive survey of rural credits, at the end of which he made a report almost diametrically opposed to the one recently submitted."

The first surprise over the "incompetence and gross neglect" revealed in the report and the probability of a substantial part of the $3,000,000 loaned out through the 74 societies being a direct loss to the province has given way before the public's astonishment that the benefits of the rural credits measure have not been as far reaching to the farming community as previously supposed. In other words, the report seems to indicate that there will be a loss through uncollectable loans made to from 1,000 to 2,000 farmers. "The net result is," comments the United Grain Growers' Guide, "that all the rest of the farmers of the province will have their taxes increased to bonus about 2% of the farmers of the province through the rural credits system."

J. T. Haig, leader of the Conservative group in the legislature, has moved for a return showing the names of the directors of the rural credit societies, the amount of loans obtained by each director from the society of which he was a director or any other society; the total sums borrowed by directors and the amount repaid on account of borrowings. Hon. F. M. Black, provincial treasurer, expressed his disinclination in the House to give out this information which was regarded as confidential.

A Damning Report

Mr. Haig, in reply, emphasized that the province had invested $3,000,000 in the rural credits department against which serious charges had been made. He pointed out that the fact that directors of the societies had been especially censured by the Jackson-Collyer report, placing the average loan to directors at over $1,600, but he noted in a table given at the back of the book that some of the loans to directors were as high as $4,000, and many exceeded $2,000. In view of these facts he thought the House was entitled to complete information. "This report is the most damning report made against any organization and the peculiar thing about it is that it has been made by its friends; the government is supposed to be friendly to rural credits," Mr. Haig said in the House, continuing: "I have stated before and I state again that in my opinion the province will take a loss of $1,000,000 on this work; many business men would think this estimate low."

Mr. Haig complained that with $3,000,000 of provincial funds tied up in rural credits he was unable to secure from the government full information regarding the operation of the rural credits even after it had been condemned by the commission appointed by the government. The commissioners, he continued, reported that they had not investigated individual loans but expressed the conviction that the security of individual loans was insufficient. The whole matter, he pointed out, was one of great public importance and he considered that the members of the House were entitled to know who the directors of the societies were; some societies no doubt were operated properly and others were not, and he argued that the government return should show this. Provincial Treasurer Black, in reply, declared that the government had no intention of withholding information but he felt it was the common duty of the government to prevent all details of an individual's business being broadcasted. If Mr. Haig and other members would treat the information as confidential he would urge the cabinet to take the matter into serious consideration. Mr. Haig agreed that information of this character should not be allowed to become public.

The Problem Remains

While Premier Bracken has stated that the cabinet has not yet taken the Jackson-Collyer report into consideration, the budget hitherto having taken preference over all other cabinet problems. It is the firm conviction of many members of the government group, according to the Winnipeg Tribune, that the majority of the recommendations of the report will be carried out. The United Grain Growers' Guide expresses the opinion that it will require years to straighten out the blunders made in the operation of the rural credits societies and that losses to the province will be heavy. The Tribune forecasts a consolidation of the provincial savings office and the Manitoba Farm Loans Association, but business men of Winnipeg are disposed to look for a fuller inquiry into the farm credit structure erected by the Norris administration before the Bracken government will commit itself. The Winnipeg Free Press takes the view that it is not so much the case of the volume of credits but of credits of the right kind carrying with them the special advice and supervision which farm borrowings call for that the Western provinces need at the present time.

Government Deposits Affected by Interest

The reduction of one-half of one per cent. in the interest rate paid on savings certificates issued by the Alberta government resulted in a considerable reduction in the purchases of the certificates last year. The total issued during the year was 3,708,536 as compared with 4,370,664 the year previous.

The Canadian Dollar Discounted 2 Per Cent.

The premium on New York funds advanced to 2 per cent. on Monday, the discount on the Canadian dollar being higher than for some time. The range for the week was 1½ to 2 per cent.

Quotations on the pound sterling eased off several points and lira were also weaker but the franc strengthened.

NEW YORK FUNDS

Feb. 22—Funds opened at 1½ per cent. premium, advanced to 1 9-16, closing at 1 17-32.

Feb. 23—Opening at 1 9-16, funds touched a high of 1 25-32 and closed at 1¾.

Feb. 24—Funds opened at 1¾ per cent. and closed at 1 13-16.

Feb. 26—Funds opened unchanged at 1 13-16, rose to 2 and closed at 1 31-32.

Feb. 27—Opened at 1 13-16 and closed at 1 11-16.

Feb. 28—Opening at 1 5-8 funds dropped to 1½ and closed at 1 9-16.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Feb. 22	4.79	6.25	4.93
Feb. 23	4.71⅜	6.07½	4.82½
Feb. 24	4.70¼	6.05½	4.80
Feb. 26	4.70⅝	6.16½	4.84
Feb. 27	4.70⅜	6.13¼	4.83
Feb. 28	4.70⅝	6.11	4.81½

BIG SUPPORTERS DROP OUT OF THE SETTLERS SCHEME

(Continued from Page 1)

from the general public. Much of the money was spent in an advertising campaign. The nature of this advertising campaign, by the way, was the first thing that made the larger group lose confidence in the backers of the scheme. The advertisements in themselves were fine and apparently no organziation to follow up the feeling of good will created by the advertising. The larger subscriptions that might have followed were, therefore, not obtained.

The Eastern supporters, too, began to lose faith when it was seen that the West was not giving as enthusiastic support as the East. Originally it was thought that at least 25% of the money would come from the West but instead Eastern business men were left to bear almost the entire burden. "If the West had no faith in the scheme," the Eastern group argued, "there must be something radically wrong with it."

No Results Shown

But the supporters continued to pay over their money until they began to feel that nothing was going to come out of the expenditures. No results were shown. One by one the big supporters dropped out, following the example set by the most important props. It is understood that the association has been carrying on for the past few months with money from the Dominion government which alone of all the supporters continued its payments.

There has been no public declaration of a break between the officers of the colonization association and the group of business men because the latter are in absolute sympathy with its aims and feel too greatly the need for immigration to wish to express any sentiment that might hurt the getting of settlers for Canada. Some of them feel that with a thorough reorganization the Canadian Colonization Association could go ahead and do good work. Others are less hopeful and believe that the only effort for immigration that can be successful must come from the Dominion government.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Feb. 22, 1923	Change	%
Montreal	$ 87,175,934+	$ 3,699,851	4 4
Toronto	82,491,417—	3,720,941	4.3
Ottawa	5,810,524+	471,176	8.8
Hamilton	4,847,267—	103,108	2.1
St. John . . .	2,623,558+	232,572	9.7
London	2,540,034+	55,611	2.2
Halifax	2,305,994—	232,414	9.2
Moncton	1,022,764+	89,582	9.6
Brantford . . .	859,581—	6,334	.7
Sherbrooke . . .	828,788+	86,777	11.7
Peterboro' . . .	549,528—	35,485	6.1
Total East . . .	$191,055,386+	$ 537,287	.3
Windsor	2,338,259		
Kitchener . . .	766,355		
Kingston	460,258		

WESTERN CITIES

	Feb. 22, 1923	Change	%
Winnipeg . . .	$ 28,461,451—	$17,836,874	38.5
Vancouver . . .	12,216,822+	133,204	1.1
Calgary	3,861,346—	901,609	18 9
Edmonton . . .	3,763,781+	239,634	6.8
Regina	2,568,848+	225,772	9.6
Victoria	1,702,907—	250,045	12.8
Saskatoon . . .	1,226,953—	152,281	11.0
Moose Jaw . .	897,652—	255,488	22.1
Ft. William . .	700,605+	60,904	9.5
Lethbridge . . .	441,343+	48,253	12.3
N. Westminster .	424,102—	76,826	15.3
Brandon	413,461—	53,988	11.6
Prince Albert . .	296,716+	13,403	6.6
Medicine Hat . .	277,217—	34,240	11.0
Total West . . .	$ 57,253,204—	$18,804,181	24.8
Grand Total . .	$248,308,590—	$18,302,894	6.9
Year to date . .	$2,274,089,425+	$92,343,466	3.8

HEAVY BURDEN OF TAXES BORNE BY CANADIAN BANKS

Remarkable Increase in Levies Since Start of the War

The failure of the agricultural returns following good crops throughout the length and breadth of Canada to permit the farming community to liquidate debts and provide new wealth to the extent anticipated was referred to at the annual meeting of the shareholders of the Standard Bank by the general manager, C. H. Easson. Live stock and other farm products of every description are still on a lower price level as compared with commodities. However, the farmers have been practising economy and with a fair crop in 1923 the condition should improve.

Reference was also made to the increased activity in industry. This applies to pulp and paper, lumber, textile, steel and iron, automobiles, etc. In other lines, such as boots and shoes, clothing, white wear, etc., conditions are not as buoyant.

Speaking with regard to the coming revision of the Bank Act, Mr. Easson declared that the privileges of the banks were limited in extent. Against such provisions are the heavy taxes to the Dominion and provincial governments. In the case of the Standard Bank these taxes amounted to $138,952 last year as compared with $6,797 in 1914. In addition, municipal, business and property taxes amounted to $78,494, making a total for the year of all taxes of $217,446.

Following is a comparative analysis of the balance sheet of the Standard Bank of Canada which accompanied the annual report recently sent to the shareholders:

Immediately Available Liquid Assets	1922 $	1921 $	Change $
Specie . .	1,769,469	1,750,438+	19,031
Dom. nts.	9,222,301	10,529,425—	1,307,124
Nt. cir. dep	200,000	200,000	....
Notes, bk.	311,270	346,184—	34,914
Bank bal.	100,000	100,000	....
Do., ab'd .	625,126	1,109,437—	484,311
Gov. secs.	7,883,503	9,029,522—	1,146,019
Cheques .	3,375,562	5,151,514—	1,775,952
Gold res.	1,000,000	1,000,000	....
Cl. lns. else.	700,000	....+	700,000
	25,187,231	29,216,521—	4,029,289
% tl. assts.	32.00	35.11—	3.11
% tl. liab. to public	36.29	39.48—	3.19
Other Assets			
Pub. secs.	2,462,051	2,843,643—	381,592
Oth. secs.	1,082,051	1,202,475—	120,424
Call loans	3,376,097	2,809,230+	566,867
Current .	42,398,817	45,069,128—	2,670,311
Ov. debts	125,327	165,457—	40,130
Lets. of cr.	123,820	21,302+	102,518
Real estate	281,540	86,540+	195,000
Premises.	1,879,023	1,810,496+	68,527
Oth. asts.	106,317	68,213+	38,104
Mun. lns.	1,696,989	....+	1,696,989
	53,532,032	54,076,484—	544,452
Ttl. asts.	78,719,264	83,293,004—	4,573,740
Liabilities to Public			
Circulat'n	4,653,320	4,720,965—	67,645
Dem. dep.	11,502,065	13,211,261—	1,709,196
Savings.	50,574,795	51,909,456—	1,334,661
Due banks	688,890	233,298+	455,592
Due else..	509,057	583,816—	74,759
Acceptances	123,820	21,302+	102,518
Due govt.	....	1,166,841—	1,166,341
Dp. by bks.	1,356,884	2,190,015—	833,131
Oth. liab.	3,026	2,707+	319
Bills pay.	6,090	....+	6,090
	69,417,947	74,039,661—	4,621,714
To Shareholders			
Capital .	4,000,000	4,000,000	....
Reserve .	5,000,000	5,000,000	....
Dividends	140,750	140,850—	100
Balance..	160,567	112,493+	48,074
	9,301,317	9,253,343+	47,974
Ttl. liab.	78,719,264	83,293,004—	4,573,740

On the asset side of the statement, Dominion and Provincial Government securities show a reduction of $1,146,018, accounted for by the fact that during the year the Dominion Government retired short-date treasury bills held by us to the amount of $2,000,000.

Our call loans in Canada show an increase of $566,868 over last year, and it will be noted that we show "call and short loans elsewhere in Canada, $700,000," which item represents employment temporarily of surplus funds.

Bank premises account shows an increase of $68,527, accounted for by the purchase of property adjoining our Oshawa premises, the purchase of the building occupied by us for some years at Lethbridge, North End, and the remodelling and extension of premises at Brighton, Ont.

The 5,098,056,700 gallons of gasoline produced in the United States in 1921 had a value of $840,672,300, or nearly half the value of all petroleum products in that year, showing an increase over 1919 of 23.7 per cent. in value and 39.7 per cent. in quantity.

PRIZES FOR ESSAYS

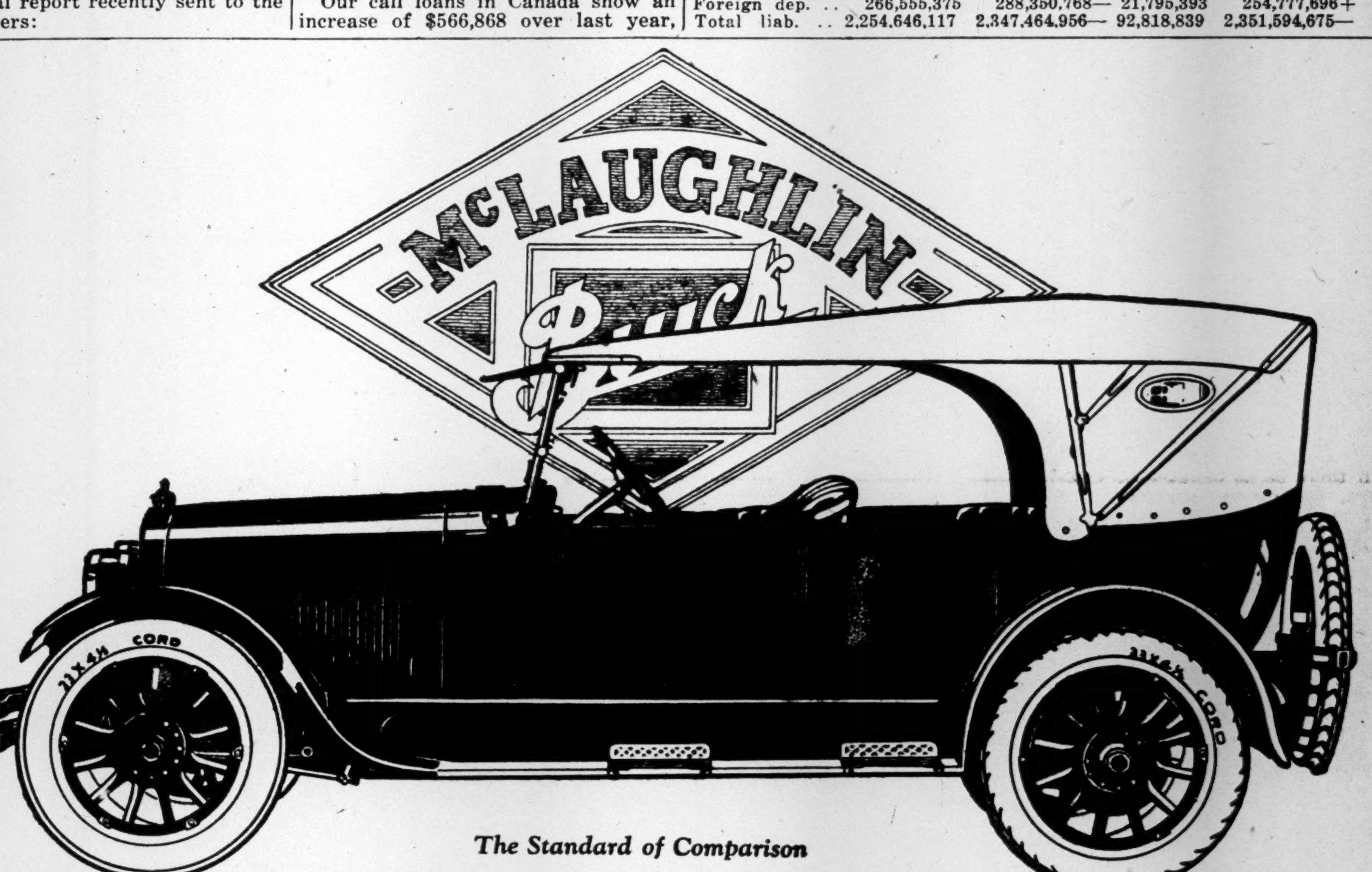
At a meeting of the Bankers' Institute of Halifax, D. Macgillivray of the Canadian Bank of Commerce and L. A. Forsythe, described the Bills of Exchange Act. Mr. Macgillivray announced that he would offer four prizes for the best essays at the conclusion of the course of lectures which is to be given before the institute.

Increased Savings a Feature of January Bank Statement

A reduction of nearly $27,000,000 in current loans in Canada and a curtailment of $36,500,000 in demand deposits, as shown in the bank statement for January, are evidently a reflection of year-end changes, because they compare with reductions of $36,000,000 in current loans and nearly $54,000,000 in demand deposits in January a year ago. More significant perhaps is an increase of over $10,500,000 in saving deposits, which compares with a reduction of $7,600,000 in January a year ago and indicates a marked change in the general trend indicated by a reduction of nearly $48,000,000 during the year. The reduction of $23,500,000 in circulation also indicated curtailed business requirements following the holiday season and compared with a change of $22,000,000 during the same month last year. There was a reduction of $18,400,000 in the central gold reserve but the total is only $4,850,000 less than a year ago while in January, 1922, a reduction of $20,800,000 was shown. Call loans in Canada were considerably reduced and call loans outside Canada somewhat increased during the month. Total assets were reduced $90,000,000.

JANUARY BANK STATEMENT

	Jan. 1923	Dec. 1922	Change	Jan. 1922	Change
Specie.. .. ..$	81,142,503	$ 93,789,305—	$12,646,802	$ 77,650,371+	$ 3,492,132
Dom. notes ..	182,552,279	182,686,820—	134,541	192,587,600—	10,035,321
Can. call	90,025,233	98,383,580—	8,358,347	102,630,461—	12,605,228
Call loans ab'd	191,381,847	185,653,891+	5,727,956	157,913,228+	33,468,619
Current	1,038,396,145	1,065,226,894—	26,830,749	1,138,151,455—	99,755,310
Loans ab'd ..	158,444,940	157,657,083+	787,857	148,733,747+	9,711,193
Gold res.	42,802,533	61,202,533—	19,400,000	47,652,533—	4,850,000
Total assets ..	2,527,834,981	2,618,638,104—	90,803,123	2,626,110,129—	98,275,148
LIABILITIES					
Circulation ..	152,632,947	176,201,351—	23,568,404	162,645,115—	10,012,168
Demand dep. ..	501,147,121	537,613,056—	36,465,935	487,153,169+	13,993,952
Savings	1,195,351,710	1,184,703,596+	10,648,114	1,233,208,401—	37,856,691
Total deposit in Canada ..	1,696,498,831	1,722,316,652—	25,817,821	1,720,366,570—	23,862,739
Foreign dep. ..	266,555,375	288,350,768—	21,795,393	254,777,696+	11,777,679
Total liab. ..	2,254,646,117	2,347,464,956—	92,818,839	2,351,594,675—	96,948,558



The Standard of Comparison

For Cold Weather Motoring Confidence

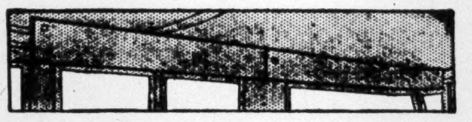
The "Master Six" Seven Passenger Touring 23-49 Special $2095

On winter roads, the abundant power and smooth riding of the McLaughlin-Buick "Master Six" seven passenger touring car gives a new confidence to cold weather motoring.

A fine tailored top of genuine English Burbank, with natural wood bows and nickelled slat irons, close fitting storm curtains, provided with a special weather strip and that open with the doors, afford a snug comfort against storm and cold.

The long wheel base and the rear cantilever springs with a new suspension, insure easy riding, made luxuriously comfortable by the wide, deeply upholstered seats. Every convenience for easy driving is at the driver's hand. Standard appointments include such refinements as sun visor, windshield wiper, rear vision mirror, walnut instrument board and steering wheel, nickelled front bumper, combination tail and stop lamp and tonneau light, scuff plates, tool equipment in locked fitted case in fore door, dumb-bell radiator cap.

The seven passenger touring special maintains, in every particular, the traditional McLaughlin-Buick excellence, and assures its owner a service backed up by 12 factory branches from coast to coast and over 500 dealer stations in all parts of Canada.



A Double Protection

In addition to fitting perfectly without a gap, the storm curtains on McLaughlin-Buick open models are provided with a weather strip or flap which seals the joints so that wind or rain cannot penetrate. McLaughlin-Buick open cars are as nearly weather tight as any open car can be.

PRICES F.O.B. OSHAWA, GOVERNMENT TAX EXTRA

Master Fours		Master Sixes	
23-35 Regular Touring....	$1235	23-41 Touring Sedan.....	$2725
23-34 Special Roadster ...	1275	23-44 Special Roadster....	1695
23-35 Special Touring....	1295	23-45 Special Touring	1725
23-36 Coupe	1645	23-47 Sedan 5 Passenger...	2795
23-37 Sedan 5 Passenger..	1950	23-48 Coupe 4 Passenger .	2675
23-38 Touring Sedan.....	1855	23-49 Special 7 Pass. Tour.	2095
		23-50 Sedan 7 Passenger	3095
		23-54 Special Sport Roadster	2295
		23-55 Special Sport Touring	2375

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Dealers Everywhere

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NEWS AND VIEWS FOR MANAGERS

DEFLATION IS BRINGING THE POUND TO PAR

New Inflation in States Strengthens Position of Sterling

By RT.-HON. R. McKENNA,

In addressing shareholders London Joint City and Midland Bank.

The primary ground on which a policy of gradual deflation is recommended is that it raises the exchange value of the pound sterling in relation to the dollar and hastens our return to the gold standard. As every measure of deflation tends to lower prices or, in other words, tends to increase the value of the pound sterling in terms of goods, it must raise the value of our currency in the foreign exchange market. The only exception would arise if other countries pursued the same policy, in which case there would be a fall in prices measured in all currencies. We had a partial illustration of this process in 1920 and 1921 when the United States adopted deflationary methods in concert with our own financial authorities. There were considerable fluctuations in the dollar rate during this period, but in April 1920, when our Bank Rate was raised to 7 per cent., the dollar stood at 3.88, and eighteen months later, after America had broken adrift from this policy, the exchange was nearly the same. Since the late summer of 1921, when British and American policy diverged, bank deposits in the United States have materially increased, prices have gradually risen and the unemployed, who were then numbered by millions, have been steadily absorbed. During the same period the dollar has depreciated in relation to sterling more or less continuously, until to-day the two currencies stand to each other in a relation not far removed from parity.

Deflation and the £

It is admitted that deflation in this country tends to improve the value of sterling. But does it in the actual circumstances of to-day do more than accelerate our approach to parity? Would our exchange not rise to par even if there were no deflationary efforts on our part and we were spared all the evils of trade depression and unemployment which attend such efforts? I think it would, unless financial policy were again reversed in America. Even if prices rise here, as they will under improving trade, they will not rise as fast as they must in America under the influence of an excessive gold supply, and, if there be no deflation in either country, sterling will slowly appreciate until it finally reaches par.

Increased Production the Remedy

Let me remind you that just as inflation which causes prices to rise will always be ultimately checked by the refusal or incapacity of the consumer to pay, so deflation will be checked by the restriction which follows upon falling prices. Those who advocate the deliberate adoption of a policy of continuous deflation are oppressed by the fear that at any moment an excessive amount of credit may be created in consequence of the Government being compelled to borrow from the Bank of England in order to meet maturing Treasury Bills. They regard deflation as a prophylactic against inflation, just as in former days it was the practice to bleed a patient as a precaution against the recurrence of fever. But all that is necessary to meet the danger of the Government being forced to borrow excessively is to raise the rate for Treasury Bills to a point high enough to ensure the renewal of an adequate amount. The continuance of a high rate or the adoption of any other method for the purpose of forcing down prices is bound to strangle trade and reduce output, and must operate very unfairly upon the taxpayer, who is saddled with the burden of the National Debt. If we look for a revival of trade, for more abundant revenue and for a reduction in taxation, we must leave prices to take their own course under the normal pressure of supply and demand. We must not interfere with the natural purchasing power, but must seek a general increase of wealth through a more abundant output.

Toronto

W. Watt, manager of the Merritt branch of the Bank of Toronto, has been transferred to Vancouver.

Molsons

J. E. Fidler of the Hamilton branch of the Molsons Bank, has been transferred to the Winnipeg branch as manager.

Montreal

J. H. Cumberland of the Listowel branch of the Bank of Montreal, has been transferred to Wallaceburg as accountant.

Sterling

G. M. Fitzgerald, manager of the Hawkesbury branch of the Sterling Bank, has been appointed manager of the Orangeville branch.

Dominion

A. V. Miller of the Grenfell, Sask., branch of the Dominion Bank, has been transferred to the branch at Brandon, to take over the management.

Royal

W. G. Yule, manager of the Regina branch of the Royal Bank, has been transferred and will leave soon for Port of Spain, Trinidad, as manager of the branch.

STATE BANKS CLOSED

Only Two of Twenty-Three Re-Opened in Montana

Twenty-three state banks were closed in Montana during the calendar year 1922, and of these two have been re-opened for business, according to a statement transmitted to the house of representatives by State Examiner L. Q. Skelton.

The report submitted showed that on January 1, 1923, there were 259 incorporated state banks and seven private banks. Of those closed during the year previous, the statement showed date of closing in each instance, along with the date of last state examination prior to the date of the bank's closing. These showed periods ranging from 13 days to 9 months and 29 days intervening between the last examination and the date of closing of the banks.

Try This on Your Adding Machine

The fact that Tutankhamen took with him to his tomb $15,000,000 in precious stones, etc., is being used by the statisticians as the basis for some interesting speculation as to what would have been the effect had such a sum been invested at six per cent. and compounded to the present day.

Here is the answer: $14,288,000,000; 000, 000, 000, 000, 000,000,000,000,000, 000, 000, 000, 000, 000,000,000,000,000,000,000,000,000,000,000,000,

This is the figure of Dr. John Rogers Musselman, Assistant Professor of Mathematics at Johns Hopkins University, but the figure of another well-known mathematician is: $4,800,000,000,000,000,000,000,000, 000, 000, 000, 000,000,000,000,000,000, 000, 000, 000, 000, 000,000,000,000,000,000,000,000,000,000.

It should be explained that the latter is the larger sum.

Government Bank Inspection Did Not Check Operations of Ponzi

Disregard of Bank Laws of Massachusetts Responsible for Collapse of Five Trust Companies

The revelations in connection with the collapse of the Merchants Bank have given rise to a renewal of the demand for government inspection under the Canadian Bank Act, and this is one of the amendments which will undoubtedly be proposed when the act is up for revision at the present session of parliament. While there seems to be ground for the belief that a practical bank man as superintendent of banks, empowered to secure supplementary information to that now contained in the monthly bank returns, would be in a position to effectively check up the comparatively few chartered banks, there is nothing in experience as regards government inspection of financial institutions to warrant the belief that any such inspection can be regarded as a guarantee against maladministration. In the last analysis the proper conduct of a bank depends upon the ability and integrity of the bank's directorate and management—investors and depositors should keep this in mind.

The legislation governing trust companies in Massachusetts provides for close inspection by the government, but this did not prevent the maladministration of the affairs of the Hanover, Prudential, Cosmopolitan, Fidelity and Tremont Trust Companies to the extent that they had finally in the public interest to be closed by the commissioner of banks. Investigation proved that even with the comprehensive provisions for government inspection there had been heavy losses as the result of gross disrespect of sound banking principles.

Reporting to the general court of Massachusetts. Commissioner of Banks Allen declares that this small group of trust companies in Boston controlled by men who lacked the ability the training and in some cases the moral character requisite to the proper administration of a bank, were so glaringly mismanaged and in such an unsound condition that the most drastic action became necessary in order to quickly avert a situation which was inviting a financial crisis in the city of Boston.

They Financed Ponzi

Connection with Ponzi was largely responsible for the difficulties of the Hanover Trust Company. In July, 1920, capital stock was increased from $200,000 to $400,000 and of the new stock Ponzi secured $150,000. On August 3rd it was discovered that the bank had made three demand loans of $80,000 each for Ponzi upon "straw" names and that this money had been placed to his credit or that of his agents. Additional loans were made on which Ponzi was liable as endorser. On August 9th on discovering that Ponzi had an overdraft, the company was instructed not to honor any more of his cheques. It was discovered that the bank had permitted Ponzi or his agencies to overdraw to the extent of approximately $330,000. Meanwhile examination showed doubtful assets of $1,200,000 and loans above the statutory limit amounting to $650,000, in addition to more than $600,000 to officers and directors. Many of these loans were on "straw" notes so-called. Liquidation of this bank emphasized its unsound condition and made it evident that all creditors could not be paid in full.

Legal Reserve Ignored

The Prudential Trust Company was closed in September, 1920. Loans of bad and doubtful character, inability to maintain the required legal reserve, persistent withdrawals of deposits and other factors all entered into the situation which resulted in the inability of the bank to further transact its business.

The Cosmopolitan Trust Company was closed on September 25th, 1920, when it became unable to meet the continued withdrawal of deposits which had been at the rate of more than $1,000,000 a month during the three months preceding the crisis of its affairs and when it became apparent that it was unsafe and inexpedient to permit it to continue in business. Many of the withdrawals from this bank were for the purpose of making investments with Ponzi. Investigations showed that large loans had been made to corporations and individuals having little or no financial responsibility. Improper and illegal investments were discovered. It was found that the officers and directors of the company had absolutely no regard for the laws relating to the investment of the funds of trust companies. The reserves were for weeks and months at a time less than required by law, yet loans were made in violation of the law prohibiting the making of any new loan or investment while such reserves are less than the legal requirements. It was brought out that losses from bad loans and investments, negligence, recklessness and carelessness, made with little or no regard for the banking laws, were in excess of $5,000,000.

Reckless Loaning

Many of the losses began in a small way and when heavy losses were suffered instead of charging them to profit and loss, increasingly large sums of money were advanced in reckless efforts to save the situation. In one case obligations to the bank amounting to $160,000 resulted in a recovery of less than $5,000. Many other loans of large amounts were equally unsound. In the case of the Nudoll Manufacturing Company a note for $40,000 was charged off to profit and loss on March 31st, 1920. At this time the Nudoll Company owed $94,500 to the bank on notes. Additional loans were made, however, and when the trust company was closed the indebtedness to the bank on notes by this company was $113,499.

False Returns Made

In several instances false returns were made in the reports to the bank commissioner. On June 30th, 1920, the books of the bank showed overdrafts amounting to $147,861, while the sworn statement for the same date showed overdrafts of only $27,351. On May 7th, 1920, when the books showed overdrafts of $258,224 the sworn statement showed overdrafts of only $52,901.

The Fidelity Trust Company was closed September 28th, 1920. This company had borrowed approximately $2,000,000 and had pledged the greater part of its liquid assets therefor. The remaining assets were to a large extent of a character that could not be realized upon and losses of large sums of money were inevitable from unwise loans and bad investments. Liquidation indicated financing of many commercial enterprises in which the officers or directors were interested for amounts unwarranted by the condition of the company, and a large portion to promote new or speculative enterprises. One investment of $650,000 in a sugar company in Cuba, for instance, did not show a recovery of $50,000—a loss of over $600,000. In a shipping company investments amounting to $800,000 were a total loss. Altogether the entire capital of the bank and surplus of $3,700,000 was wiped out with a total loss of over $4,000,000.

The Laws Ignored

The Tremont Trust Company was closed February 17th, 1921. The records of the bank commissioner's office for several years indicated that the company had repeatedly failed to observe the important banking laws of the commonwealth. Unauthorized appropriation of funds by officials was revealed. Losses on bad and doubtful assets were put down at not less than $2,500,000 and in the opinion of the commissioner liabilities exceeded the value of assets by over $1,000,000.

Many other irregularities were noted. Although the legal limit for state deposits was about $400,000 the company had approximately $1,700,000 in May, 1920. It was pointed out by the commissioner that approximately 126 debtors, with total notes amounting to over $300,000 have gone into bankruptcy and their cases are now pending in the United States bankruptcy court.

All these irregularities and reckless financing occurred under legislation requiring government inspection with government inspectors having access to the assets upon which loans were advanced.—J.W.T.

Commerce

The Canadian Bank of Commerce is extending its service in the Danforth district by opening a new branch at Danforth avenue and Dawes road. This branch will be under the management of F. M. Mathias, manager of the Danforth and Coxwell avenues branch.

British Empire Steel Corporation

Limited

Report and Statement

Year ending 31st December, 1922

To be Presented at the Annual General Meeting on the 21st of March, 1923:

Your Directors submit herewith the Consolidated Balance Sheet of the Corporation and its Constituent Companies as at 31st December, 1922, and the Consolidated Statement of Profit and Loss and Surplus Account for the year ending on that date, certified by the Auditors of the Corporation, Messrs. Price, Waterhouse & Company.

BALANCE SHEET

The item, cost of properties shows a net decrease of $2,774,683.13 from the corresponding figures upon the Balance Sheet submitted at the last Annual Meeting. During the year the sum of $853,115.76 was expended for additions and improvements upon the properties of the Constituent Companies, and the sum of $3,627,798.89 was added to Reserves for Depreciation, Exhaustion, etc., and deducted from Cost of Properties. This amount is much larger than is usually reserved in a single year's accounts, your Directors having applied $2,000,000 to the amortization of the cost of the Plate Mill out of the payment received in settlement of the claim of Dominion Iron & Steel Company for damages due to the cancellation of the Government Contract for steel plates. The total amount now standing at credit of Depreciation Reserve is $27,009,896. The aggregate amount of Funded and Mortgage Debt against these properties is $36,645,490.65 which includes an amount formerly carried in Deferred Payments on Properties which is now funded in payments extending over a period of fifteen years. The only addition to Mortgage Debt was caused by the issue of $4,645,000. 5% Consolidated Mortgage Bonds of Dominion Iron & Steel Company in December. Bonds to the amount of $528,241 were paid off through the operation of Sinking Fund.

The relation of Current and Working Assets to Current Liabilities has been greatly improved, the excess of assets over liabilities having increased from $14,364,860 to $17,789,049.25. Current and Working Assets at 31st December, 1922, were nearly four and a half times the amount of Current Liabilities and in addition they were of a more liquid character. At 31st December, 1922, Receivables and Cash together amounted to over $10,000,000, an increase of twenty-five per cent. During the year a decrease of $2,414,523.35 was effected in the amount of Inventory Accounts. The chief improvement in Current Liabilities is a reduction of $3,665,328.76 in Bank Loans.

Reserves for Relining Furnaces and other current operating services, Accrued Dividends and Contingencies amount to $2,154,948.39, a sum which is sufficient for these purposes. The amount carried in special reserve at the end of the previous year, $2,500,000, supplemented by $1,500,000, received during 1922 as final payment in settlement of the claim of the Dominion Iron & Steel Company for compensation for cancellation of its contract with the Government has been transferred to Surplus Account.

PROFIT AND LOSS AND SURPLUS ACCOUNT

The total amount available on this account including balance carried over from last period as shown on the statement herewith is $7,673,201.75. After making provision for the ordinary and special reserves for depreciation and exhaustion previously referred to and amounting to $3,627,798.89 there remained a balance of $4,045,402.86 and after deducting payments for interest on Bonds and Debenture stock a balance of $2,368,496.47. After provision of amount required to pay all dividends accrued upon 1st Preference Stock of the Corporation and the Preference and Preferred shares of Constituent and Subsidiary Companies outstanding there remained a balance of $1,024,197.85 at credit of Surplus Account on 31st December, 1922. This amount added to Surplus of Constituent Companies carried forward, $21,784,870.32, makes the Consolidated Surplus $22,809,068.17.

The operations of the Constituent Companies were subject to unfavorable conditions during the greater part of the year. The demand for coal during the first six months was limited and shipments were far below normal. Although there was a marked improvement during the summer months when large shipments were made to the St. Lawrence District and to the United States where unusual conditions existed, the total quanity disposed of was only slightly greater than last year. A considerable tonnage of iron ore was shipped from the mines at Wabana to Germany. The price obtainable for these initial shipments was not sufficient to yield any considerable profit, but it was hoped that they would lead to the development of a satisfactory market for the surplus output of the mines. The success that has attended this year's operations and the willingness of the managers of large German Works to continue to use Wabana Ore, seems to assure the possibility of creating a large and profitable business. Existing relations between France and Germany may have the effect of temporarily retarding this development.

The demand for steel remained dormant until near the close of the year. Except for limited quantities of rails made for Canadian roads and of wire products for export, the movement of iron and steel, though better than last year, was still greatly restricted and prices were depressed. Costs of production, chiefly because of low output, did not improve.

The combined results of the operations of the Companies are reflected in the relatively small earnings realized.

OUTLOOK

The prospects for the current year are more favourable. There is promise of greater activity in the demand for iron and steel and already a number of contracts have been made for pig iron and various kinds of steel, railway cars and other railroad supplies.

Although active competition is expected from producers in the United States it is anticipated that shipments of coal to the St. Lawrence District, which have now been reestablished, will be maintained in volume, and that increasing industrial activity will result in larger demand throughout the territory which your Companies can most readily supply.

On behalf of the Board of Directors,

R. M. WOLVIN,
President.

Montreal, P.Q., 21st February, 1923.

Consolidated Balance Sheet as at December 31st, 1922

ASSETS

Cost of Properties:			
Representing the Ore and Coal Properties, Plant, Buildings, Machinery and Equipment, etc., of the Constituent Companies, the aggregate value of which is supported by independent Appraisals (less Reserves for Depreciation and Exhaustion of Minerals)			$132,929,671.67
Investment in Capital Stocks of and advances to, other Companies			659,904.44
Cash in hands of Trustees for Bondholders			1,892.49
Bonds purchased for Sinking Funds			274,925.69
Current Assets:			
Inventories of Finished Products, Goods in Process and Materials and Supplies, less Reser's		$12,646,892.86	
Trade Accounts and Bills Receivable, less Reserves		6,727,871.36	
Other Accounts Receivable		516,636.16	
Investment in War Bonds		62,736.40	
Cash on hand and in Bank, and Call Loans		2,693,241.75	
			22,647,378.53
Deferred Charges:			
Discount on Securities, Development Expenditures, etc		$1,146,627.51	
Insurance and other Expenses paid in advance		471,711.16	
			1,618,338.67
			$158,123,111.49

LIABILITIES

Capital Stock of Corporation:			
7% Cumulative First Preference "B"		$ 7,640,200.00	
7% Cumulative Second Preference		57,350,000.00	
Common		24,450,000.00	
		$89,440,200.00	
Less: Held by Constituent Companies:			
7% Cumulative Second Preference	$ 7,391,425.00		
Common	3,144,600.00	$10,536,025.00	
			$78,904,175.00
Preference Stock of Constituent Companies:			
7% Dominion Coal Co., Limited		$ 2,803,500.00	
7% Dominion Iron & Steel Co., Limited		3,665,200.00	
6% Dominion Steel Corporation, Limited		4,729,100.00	
8% Nova Scotia Steel & Coal Co., Limited		821,000.00	
6% Eastern Car Company, Limited		126,800.00	
			12,145,600.00
Acadia Coal Company, Limited Stock Outstanding			113,300.00
			$91,163,075.00
Capital Stock Reserve:			
Par Value of the 7% Cumulative First Preference Stock Series "B" reserved for exchange of the outstanding Preference Stocks of Constituent Companies		$12,309,800.00	
Less—Par Value of the Preference Stock of these Companies outstanding		12,145,600.00	
			164,200.00
Funded and Mortgage Debt, represented by Bonds and Debenture Stock of the Constituent Companies			36,645,490.65
Deferred Payments on Properties			328,000.00
Current Liabilities:			
Bank Loans		$1,016,695.40	
Current Accounts Payable, Wages and other Accrued Liabilities		3,269,881.75	
Accrued Interest on Bonds and Debenture Stock		571,752.13	
			4,858,329.28
Reserves:			
Furnace Relining and other Operating Reserves		$ 1,292,311.52	
Reserve for Contingencies		596,391.44	
Dividends accrued on the First Preference Stock of the British Empire Steel Corporation, Limited, and on the Outstanding Preference Stocks of the Constituent Companies		266,245.43	
			2,154,948.39
Surplus at the date of Organization, Balance as at December 31st, 1921			21,784,870.32
Surplus from date of organization to 31st December, 1922			1,024,197.85
			$158,123,111.49

We have examined the books and accounts of the British Empire Steel Corporation, Limited, and its Constituent Companies for the year ending December 31, 1922, and have been furnished with all the information and explanations which we have required; and we certify that in our opinion the above Consolidated Balance Sheet at December 31, 1922, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Constituent Companies, according to the best of our information and the explanations given to us and as shown by the books of the various Companies.

PRICE WATERHOUSE & CO.,
Auditors.

Montreal, February 21st, 1923.

Consolidated Statement of Profit and Loss and Surplus Account For the year ending 31st December, 1922

Surplus Balance brought forward 1st January, 1922	$ 755,926.53
Total Earnings of the Properties for the year after deducting all Manufacturing, Selling and Administration Expenses, but before charging Sinking Funds, Depreciation and Interest on Bonds and Debentures	2,917,275.22
Balance of amounts received in settlement of claims against Government for cancellation of contract for ship plates	4,000,000.00
	$ 7,673,201.75
Deduct: Provision for Sinking Funds, Depreciation and Depletion of Minerals, and appropriation to write down value of Plate Mill	3,627,798.89
	$ 4,045,402.86
Deduct also: Interest on Bonds and Debenture Stock	1,676,906.39
Balance	$ 2,368,496.47
Less: Dividends on First Preference Shares of Corporation and Preferred Stocks of Constituent and Subsidiary Companies	1,344,298.62
Surplus from April 16th, 1921, (the date of organization) to 31st December, 1922	$ 1,024,197.85
Surplus at date of organization, Balance as at 31st December, 1921	$21,784,870.32

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

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Vice-President - - - - - - - - - - - - - HORACE T. HUNTER
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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MARCH 2, 1923

BANK ACT INQUIRY CAN'T BE TOO WIDE

THERE is to be a wide parliamentary inquiry preliminary to the revision of the Bank Act. The wider the better.

There is greater ignorance, perhaps, regarding the operations of the banks than with regard to other phases of the financial, industrial and commercial machinery of the country. The Canadian Bankers' Association, like the Canadian Manufacturers' Association, the Retail Merchants' Association and other quasi public organizations, has been devoting itself to the direct interests of its members instead of endeavoring to improve public relations and raise the standard of service—a service for which the people are willing to pay when it is understood and appreciated.

The result has been that the banks have been a particular target for the adventuring politicians and the foreign propagandists. Wealth is always unpopular with the masses. The banks represent wealth. That the banks are owned by many small investors and protect many small depositors is ignored. Such affairs as that of the Merchants Bank have played into the hands of those who would tear down the whole machinery of "capitalism" and set up something else. Taxes on banks have been increased because it has been popular politics to assess friendless corporations and reduce the burden on the mass of voters. Government banks and government rural credits have served the same political purposes.

Canada has a splendid banking system—there has been no indication that as a system it could be replaced to the country's advantage. But if changed conditions warrant changes in the public interest, now is the time they should be made; the bankers themselves have expressed every willingness to adopt constructive suggestions.

The wider the inquiry, then, the better the understanding which should result as between farmers, manufacturers and other seekers of credit and the bank executives as the representatives of the depositors and the shareholders.

COURAGE IN MUNICIPAL MANAGEMENT

REPORTS of the municipal officials of Red Deer, Alta., show that all debentures and treasury bills were promptly paid on presentation in 1922 and all demands of public and separate schools, together with accounts owing by the city, met in full. No debentures were issued during the year and the debt has been reduced by $104,745 since 1914. The floating indebtedness to the bank and school boards was consolidated and an issue of treasury bills for $47,000, repayable in 10 years, made; the floating debt of the city was reduced by $11,927.

Secretary Treasurer A. T. Stephenson says that, after ten years "wandering in the wilderness following the so-called single tax will-of-the-wisp and trying to collect taxes entirely from land, Red Deer is getting back to solid earth and is now taxing improvements where the taxes can be collected." The best collection of current taxes ever made was in 1922 and most of the arrears will be paid. A policy of economy is being followed and new capital expenses are not being undertaken. The effort to reduce expenditure is indicated in the fact that the mayor is serving without salary. The hospital, which ran up large deficits for two years, has been reorganized and is now paying its way.

Red Deer has taken the bull by the horns—rather than by the rear appendage, by which it is sometimes thrown. The municipal problems are not being met passively but aggressively. The result has been an improvement in financial position which will have a marked effect on the city's financial standing and will prove a factor in restoring investment at home and abroad in the municipal securities of Western Canada.

WHEN PETER PAYS PAUL

AUTOMOBILE interests in the United States are raising a great hubbub over the recent increase in the price of rubber made by the British owners. Henry Ford and others are moving on Washington with dire threats of what they will do. Secretary Hoover is calling for a half million dollars for investigating conditions to secure a cheap and stable supply for the U. S.

Recently British plantation owners made an increase of a couple of pence per pound. This represents the difference between a loss and a profit on the £100,000,000 which the British people have invested in rubber. Rubber on the U. S. market, however, is selling at 35 cents, or nearly three times the price of last year's low figure. Has the British increase in price caused this? Again, 35 cents is only one-third the high that prevailed at times in the past. It is also below the pre-war normal. Most commodities in the U. S. have recovered from their low point following the break of 1920-21. Should rubber be excepted? The whole trouble seems to be that some individuals are finding it difficult to compete with concerns having their own plantations, and would have their government grind their axes, caring not whether the British and Dutch plantations lose money or not so long as they can make a profit.

The United States wants Britain to pay her war obligations. Great Britain will pay. But the only way a nation can pay is out of profits and it seems only fair that the consumers of rubber in the United States should pay their quota of those profits, especially when they represent that superior commercial foresight which has made England the world's greatest trader.

GERMANY AS OUR COMPETITOR

IT WAS thought that the loss of potash mines in Alsace would kill Germany as a great producer, but in 1922 the German potash production exceeded the pre-war record by 183,000 tons.

There are two deductions for Canadians in this: First, we have no chance of developing potash production in this country to compete; and, second, that German workmen work to full capacity. They lay 100 bricks while Canadians lay 25 and we Canadians, producers and workmen, will have to give and do the best that is in us or we can't compete with Germany and other European countries when things become more normal.

TO CONCENTRATE ON RESEARCH

SIR Clifford Sifton has revived the agitation for a central advisory research council to embrace all the scientific branches contained in the different government departments. He advocated this step at a meeting of manufacturers in Ottawa last week, putting forward a proposition which involves the appointment of a board of governors and about twelve men in the establishing of a new department solely for scientific research.

Nothing, perhaps, is of greater importance in the development of Canada's vast resources than that such development should be conducted along scientific lines. Only in this way can the best results be obtained—only in this way can the country's natural wealth be made to do its part in discharging the obligations which the war has laid upon us.

One of the difficulties in connection with national scientific research is to get the necessary funds from parliament. Not only is it easy to eliminate appropriations for such purposes from the estimates because the necessity is not in evidence and the direct return speculative, but such appropriations can be chopped by the politicians without offending voters. Realizing this, Sir Clifford makes an important suggestion that the research body as proposed should not be under the direction of a political minister.

McMILLAN CLEANED UP HIS JOB

IN ONE of his songs in "Pinafore" the late Mr. Gilbert had some fun with the Sunday School Story Book idea of rapid advancement due to industry. You remember the lines:

> "When I was a lad I served a term
> As office boy to an attorney's firm.
> I cleaned the windows, and I swept the floor,
> And I polished up the handles of the big front door.
> I polished up the handles so carefully
> That now I am ruler of the Queen's Navee."

In this connection, consider a story about John McMillan, general manager of the C. P. R. Telegraphs:

When Mr. McMillan was raised to this position he was met in Vancouver by one of his old associates and duly congratulated.

"But, John," said this old friend, "I hope you don't bear a grudge."

"Why?" asked Mr. McMillan.

"Well, don't you remember," said the other railroad man, "when I was wire chief in Winnipeg and you were a linesman I used to get you out of bed every time we had a bad storm and send you out to clean up whatever had gone wrong? You used to swear then that when you got a chance you would get me for that. Then you would go out and clean up the job."

Notice that Mr. McMillan would go out and clean up the job. It may be that in spite of Mr. Gilbert's good tempered derision there is some connection between this and Mr. McMillan's present position as general manager of the C. P. R. Telegraph System.

EDITORIAL NOTES

THE EXTENT of the authority of the branch bank manager in making loans is sometimes forcibly emphasized by the head officials when they are faced with losses which have been sustained through poor judgment of the former.

* * * *

"I BELIEVE personally that the interests of the world would be promoted by the United States taking an active interest in the solution of Europe's difficulties," said Charles M. Schwab in London recently, "but popular sentiment, especially in the Middle West, is not in favor of participating in European politics.

* * * *

THE CONTRACT with the Great Lakes Paper Company for Nipigon power has been put through by the Ontario Hydro Commission on a majority vote, Sir Adam Beck dissenting. The public is informed that this is the first time that Hydro decisions have not been unanimous—so far as known. Our own opinion is that it is the first time that Sir Adam Beck has not had his own way.

* * * *

THE TERMS of the international war debt settlement between Great Britain and the United States are likely to be the basis for the terms established between the United States and European countries. One point in support of such reasoning, according to the Index, published by the New York Trust Company, is that any lighter terms to France and Italy would be unfair to the British.

* * * *

MISTAKEN opposition to more liberal immigration laws for desirable foreigners does not disguise the subservience of Congress to labor as against the needs of legitimate industry and prosperity, comments the Bache Review. The labor propagandists seem to have also included Ottawa in their campaign of intimidating politicians.

* * * *

WHATEVER THE effect upon export sales, the operation of the new tariff laws in the United States is demonstrating its effectiveness as a revenue producer. When the tariff was being drafted it was estimated that it would produce about $300,000,000 to $350,000,000, but the official estimate now is that the fiscal year ending June 30, including nine months, will reach a total of $480,000,000..

* * * *

AMERICAN EXPORTERS are yielding to the requirements of the foreign buyers' convenience by now making quotations c.i.f., cost, insurance and freight paid, instead of as was almost universally the case, free-on-board, so that the buyer knows exactly what the goods will cost delivered on his side of the ocean. Development of the export trade of Canada and the United States will depend very largely on the willingness of the exporter to meet the needs and requirements of the foreign importer.

* * * *

ALTHOUGH CARGOES increased 4,000,000 tons in 1922, the percentage of the foreign commerce of the United States carried in vessels flying the American flag decreased from 49 per cent. of the total in 1921 to 47½ per cent. in 1922. United States ships carried less than one-third of the total cargoes exchanged in world trade during last year, even this proportion being due to the fact that oil cargoes are carried almost exclusively by American ships. Only 7½ per cent. of the world trade was carried by privately-owned American ships. In the world scheme of things the Americans are manufacturers rather than merchandisers.

Agreements Give Standard Shipping Exclusive Rights

References in THE FINANCIAL POST to the exclusive rights of the Standard Shipping Company of Winnipeg as brokers in regard to the vessels of the Canada Steamships Company were confirmed and justified at the lake rate inquiry at Winnipeg. During the examination of Lee H. Wolvin, a large owner of Standard Shipping in which Roy Wolvin is largely interested financially, as he is in Canada Steamships, the following copies of agreements were put in by H. J. Symington, counsel for the commission.

Memorandum of agreement made this fifth day of November, A.D. 1913.

Between
Canadian Transportation Lines limited, carrying on a carrying and transportation business, (hereinafter referred to as "the Carrier.")
Of the First Part

And
The Standard Shipping Company, limited, carrying on the business of broker and shipping agent (hereinafter referred to as "the Broker").
Of the Second Part.

Whereby it is agreed as follows:

1. The Broker, in connection with the business now being carried on by it, shall be, for the term of five years from the date hereof, the Carrier's sole and exclusive agent and broker for the chartering of grain cargoes for all and every the vessels now owned, leased or operated or hereafter owned, leased or operated by the Carrier, or any of its subsidiary companies, upon the rates of freight and the conditions of transportation as shall be from time to time determined by the Carrier, and through its proper officers communicated to the Broker.

2. The Broker shall maintain at Winnipeg offices with competent and sufficient employees to handle all the grain chartering of the Carrier; maintain an office at Port Arthur or Fort William with sufficient and competent employees to attend to the necessary arrangements in respect of the loading of the boats; act both at Winnipeg and Port Arthur or Fort William as agents of the Carrier; furnish free of charge office room in its offices in Winnipeg and Port Arthur or Fort William for all representatives of the Carrier looking after the business of the Carrier, and pay for all necessary telegrams sent by Broker in solicitation of grain business and all necessary telegrams sent by Broker to Port Arthur or Fort William, Toronto or Montreal, either to the Carrier or others referring to the grain business of the Carrier.

3. The Broker, in respect of the services rendered or disbursements made by it under the terms of the agreement, shall not have any charge, lien or claim whatsoever against the individual vessel, or against the Carrier, but in lieu thereof, the Broker shall be entitled to place, and shall have the placing of all marine insurance on all the grain cargoes carried by the Carrier's boats, and to make its having the placing of such insurance for the shipper a term with the proposed shipper in arranging any charter party for the Carrier.

4. Notwithstanding the foregoing, the Carrier may arrange charter parties direct with the shippers, but in such event shall make it a condition of such charter party, either (1) that the marine insurance on cargoes be, and see that the same is placed through the Broker free from participation by the shippers in the commission payable to the broker in respect thereof, the Broker agreeing that such insurance shall be placed at a rate in no event to be higher than the regular tariff rate than quoted in Winnipeg, Duluth and Chicago, on similar business; or (2) that the shipper does pay to the Broker the full commission allowed to the Broker by underwriters with whom the Broker is doing business on such insurance on the regular tariff basis then obtaining.

In witness whereof, the parties hereto have executed these presents. One marginal note good.

Signed, sealed and delivered in the presence of
(Sgd.) GEO. E. CHART
JAMES R. LAW

CANADIAN TRANSPORTATION LINES LIMITED,
(Sgd.) C. A. BARNARD,
President.
R. CAMERON GRANT,
Secretary.

Signed, sealed and delivered in the presence of
S. WERMIG
H. B. BROWNELL

STANDARD SHIPPING COMPANY, LIMITED,
(Sgd.) R. M. WOLVIN,
President.
(Sgd.) B. M. RUDEN,
Secretary.

1917 Agreement

Memorandum of agreement made this third day of December, one thousand nine hundred and seventeen (1917), between Canada Steamship Lines, Limited, carrying on a carrying and transportation business (hereinafter referred to as "the carrier"), of the first part; and the Standard Shipping Company, Limited, carrying on the business of broker and shipping agent (hereinafter referred to as "the broker"), of the second part.

1. Whereas the parties hereto entered into a certain memorandum of agreement at Montreal on the fifth of November, 1913, under the terms of which the carrier appointed the broker its exclusive agent and broker for the chartering of grain cargoes for the vessels owned, leased and operated, or thereafter owned, leased and operated by the carrier, or any of its subsidiary companies, for a period of five years from the date of said agreement, the whole upon the terms and conditions therein set forth.

2. Whereas the period of five years fixed by the terms of said contract for the duration of same will expire on the fifth day of November, 1918, and that it is in the interests of both parties that same be extended for a further period of 10 years from the date of the termination of same, to wit, from the fifth of November, 1918, and that the parties hereto have agreed to so extend said contract for said period upon the terms and conditions hereinafter set forth.

Now these presents witness:

1. The said contract entered into between the parties hereto of the fifth of November, 1913, is hereby extended for a further period of 10 years from the date of the termination of same, to wit, from the fifth day of November, 1918, until the fifth day of November, 1928 upon the terms and conditions set forth in the said contract of the said fifth of November, 1913, which will continue to be binding upon the parties hereto during the said extended period, viz., until the fifth of November, 1928, as fully and effectually as if set out at length herein.

Signed, sealed and executed in duplicate at Montreal this third day of December, one thousand nine hundred and seventeen (1917).

(Signed) J. W. CARRUTHERS, president.

(Signed) F. PERCY SMITH, secretary.

(Signed) STANDARD SHIPPING COMPANY, LIMITED, by R. M. Wolvin, president.

Extended Till 1940

Memorandum of agreement made this 18th day of October, one thousand nine hundred and twenty-one (1921).

Between
Canada Steamship Lines, Limited, carrying on a carrying and transportation business (hereinafter referred to as "the Carrier")
of the first part; and
The Standard Shipping Company, Limited, carrying on the business of broker and shipping agent (hereinafter referred to as "the broker")
of the second part:

Whereas, the parties hereto entered into a certain memorandum of agreement at Montreal, the 5th of November, 1913, under the terms of which the carrier appointed the broker its exclusive agent and broker for the chartering of grain cargoes for the vessels owned, leased and operated, or thereafter owned, leased and operated by the carrier, or any of its subsidiary companies, for a period of five years from the date of said agreement, the whole upon the terms and conditions therein set forth.

Whereas, the said agreement was extended by a supplemental agreement dated December 3, 1917, for a further period of ten years from the termination of said original agreement.

Whereas, the said agreement has been carried out to date to the satisfaction of both parties and has operated to their mutual benefit and advantage; and

Whereas, it is in the interest of both parties that the said original agreement, dated 5th of November, 1913, and the said supplemental agreement, dated 3rd of December 1917, be further extended.

Now these presents witness:

That the said contract entered into between the parties hereto, dated November 5, 1913, and the said supplemental agreement, extending the period of the said contract for an additional ten years, and dated the 3rd of December, 1917, be and the same are hereby again extended for a further period of twelve years from the date of expiration of said supplemental agreement of 3rd December, 1917, to wit, from the 5th of November, one thousand nine hundred and twenty-eight to the 5th of November, 1940, the whole upon the terms and conditions set forth in the said original agreement of 5th of November, 1913, and the said supplemental agreement of 3rd of December, 1917, which will continue to be binding upon the parties hereto during the said extended period until the 5th of November, 1940, as fully and effectually as if set out at length herein.

Signed, sealed and executed, in duplicate, at Montreal, this 18th day of October, one thousand nine hundred and twenty-one (1921).

CANADA STEAMSHIP LINES, LIMITED
(Signed) J. W. NORCROSS, President
F. PERCY SMITH, Secretary,
Attest—H. Onslow.

STANDARD SHIPPING COMPANY, LIMITED,
Signed) R. M. WOLVIN, President
NORMAN COHEN, Asst. Secretary.
Attest—J. Kempton.

Mark Gamblers Digged Own Grave

By A. B. BARKER.

Fortunes do not always come true. One of Conan Doyle's books tells of a soldier destined, according to a "wise woman," to be Commander-in-Chief, but who was unfortunately killed the following day by his horse falling during a charge. The explanation given was that, neither the stars in their courses, nor the experienced farrier of the regiment, could have foreseen that the brute would have foundered so completely.

German marks seem to have had a somewhat similar career, and the predictions of the financial soothsayers after the armistice, that fortunes were to be made out of them, had as slender a foundation as the wise woman's prophecy referred to. Acording to these fortune tellers the recovery of Germany and with it, of course, German money, was sure. It was pointed out that, at the time of the Spanish-American war, Spanish securities had fallen until the public were afraid to buy, and that as soon as the war was over values rose steadily, incidentally making fortunes for those who had had the foresight to invest. If, therefore, this had been the case with securities of a country like Spain, what could not be expected from a country like Germany, where efficiency was the national religion? The essential difference, that the Spanish securities were owned in other countries and the German securities in Germany was not noted. In the former case it mattered little to Spain, how low the price fell. The loss would be borne by the foreign creditors, as the dealings in these securities were between one set of foreign holders and another: neither did the war with the United States disturb Spain's European trade, as was the case with Germany.

The chief speculation in German obligations was not in securities, but in currency—marks—the circulating medium of the country. Theoretically based on gold, these paper promises to pay gold were issued far in excess of the country's ability to redeem, and the falling price of the paper currency was simply the market estimate of the chances of eventual redemption in gold, and, as fresh issues made their appearance, the chances of redemption grew less.

The Germans all along claimed that they would not be able to redeem the currency, but these protestations were laughed at. Rightly or wrongly, the public refused to believe that Germany could not be made to pay.

It was assumed that the public could purchase these promises to pay at a fraction of their face value, and later on by some means or other collect the full value. In ordinary business no one in his senses would believe this possible, but when it comes to dealing with money, or rather currency, the sublime faith of the public is marvelous.

Seeing the eagerness of the world to buy marks the Germans naturally supplied the demand. They can hardly be blamed for taking what was, one might say, forced on them. Now that it is realized how impossible is the redemption in specie of the appalling mass of German paper currency, the comments on German good faith are becoming vitriolic.

Whatever our opinions of the Germans may be, however, we should try to be fair. The deception originally was not theirs but ours. It was simply a variation of the old game where the farmer signs what he thinks is an order for seed wheat, and a promissory note rises up and smites him. When the different incidents in the transaction are recalled by the victim under cross-examination, he usually discovers that he himself furnished the arguments through which the "skinning" was accomplished. As regards the German marks, we were attracted by the prospect of more than speculative profits, and we bit. Not quite all, of course, some of us had already been caught in paper, oil, or sugar, and our mouths were still sore from those experiences.

CONDENSED MILK TRADE

Canada's condensed milk trade with Great Britain may be curtailed as a result of new regulations of the British Government which call for condensed milk of a composition that many of the smaller American condensed milk manufacturers may find it difficult to produce. The chief change in the regulations, which are effective August 1, is the requirement of 9 per cent. of fat in full cream, unsweetened and sweetened milk, as compared with 7.8 per cent. of fat in unsweetened milk and 8 per cent. in sweetened milk as now required. U. S. producers of condensed milk will be hit the same way.

Personals

B. NEILD, manager of J. F. Stevens Co., Ltd., Toronto., wholesale surgical supplies, etc., is on his way to the British Industries Fair now being held in London, England.

T. BROWN, Canadian representative at Toronto of Robert McBride & Co., Ltd., Belfast, linen manufacturers, has just completed an extensive business trip throughout Ontario, Quebec and the Maritime provinces.

W. WADDELL, Jr., of Broadwath, Limited, a Carlisle manufacturer of high class woollen goods, has arrived in New York on a business trip and will visit Toronto in the near future to appoint local agents.

R. W. DALTON, who was recently appointed His Majesty's Senior Trade Commissioner in Canada and Newfoundland, will arrive in this country early in May. In the meantime, F. W. Field, British Trade Commissioner in Toronto, is Acting Senior.

G. T. WILSON, Canadian manager in Toronto of Welsh, Margetson and Co., Ltd., London, arrived in Toronto from Montreal to preside at the executive council meeting of the Canadian Association of British manufacturers and their representatives (in Ontario) of which he is president.

COL. J. JARDINE, of John Jardine, Ltd., manufacturers of lace making machines, Nottingham, who visited Toronto last year, will be in New York on a business trip this month. The Jardine interests control about 20 manufacturing concerns in England. Col. Jardine's father represented Nottingham in the Imperial House for 17 years. There is no lace making industry in Canada.

FREDERIC BARTON FRANCIS, first agent of the Canadian Bank of Commerce in New York, whose death took place on Saturday was one of the most able officers of that institution and one who had been appointed at a comparatively early age to a position of responsibility demanding a very high measure of financial judgment. Mr. Francis was a son of the Rev. J. Francis of Cayuga and was born there 44 years ago. At the age of eighteen he entered the service of the Canadian Bank of Commerce as a junior at the Dunnville branch. He became accountant first at the Winnipeg office and later at Montreal and received his appointment as manager at St. John, N. B. in 1907, where he remained until 1910, going in that year to Winnipeg as inspector. His appointment as first agent in New York took place in 1917, at a period when the financial world was bearing the heaviest strain of the late war, and from that time until a week or so before his death from pleuro-pneumonia he was a familiar figure in the New York banking world, being also a director of the American Trust Company and a member of the executive committee of the First Federal Foreign Banking Association.

CITY OF MONTREAL

31½ Year 5% Gold Bonds

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Principal and semi-annual interest payable May 1st and November 1st at the Agency of the Bank of Montreal in New York City in United States gold coin or the City Treasurer's Office in Montreal. Coupon bonds in denomination of $1,000, which may be registered as to principal.

A Sinking Fund sufficient to retire this issue at maturity has been in operation since 1914.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

LAKE SHORE

Reader, Winnipeg.—What do you think of Lake Shore at $3.39?

Lake Shore is also going to double its milling capacity and this will increase the earnings of this mine materially and enable a regular dividend. Exploration work on the property has been up to expectations. At the price you quote the stock is considered a good buy and even if it went up higher. It will be a year perhaps before the mill equipment is enlarged.

TECK-HUGHES

R. T. M., Winnipeg.—Would like your opinion of Teck Hughes at 94.

Teck-Hughes at 94 is a good buy that should return a good profit as a speculation and should in years to come return handsome dividends. The Teck-Hughes recently took over the valuable Orr which was a mine in itself. There is a $324,000 bonded debt to be paid as yet, but the Teck-Hughes is now increasing its output rapidly and it is predicted that if the present pace is maintained the output will soon be at the rate of $100,000 monthly.

CAN. U. S. OIL

Reader, Hamilton.—I would greatly appreciate it if you could give me any information regarding the Canadian U. S. Oil Company, Chicago, Ill.

Literature to hand in regard the Canadian U. S. Oil is very much of the wildcatters' type. Millions in oil is plastered all through it. It screams with wild statements of mythical profits and at the same time they are selling stock at $1.50 a share in a company that it has been claimed paid 24% dividends last year, and owns 55 wells which are earning handsome profits. There is not much information about the project contained in the circular. There is a rosy story of the prospects in Southern Alberta, but in this issue there is a report on the Imperial Oil operations in that part of the country which hardly justified any wild claims.

CANADIAN CONVERTERS

J. W., St. John.—I shall be glad to have your opinion of Canadian Converters stock.

Although ranking as a common stock the shares of the Canadian Converters Co. Ltd., are a very attractive investment issue. A dividend rate of 7 per cent. has been established and the company has such a substantial surplus that there is every prospect that this dividend can be continued and in time increased. At the present prices of around 93 the stock returns a yield of about 7¼ per cent. which is fairly well assured, The annual report covering the present year's operation will not be available for some months yet, but the textile group has been enjoying a satisfactory year on the whole and Canadian Conventers should share in this prosperity.

MOUNT ROYAL HOTEL

H. S. G., Nova Scotia.—Would you advise a small investor to invest a few hundred dollars in the Mount Royal Hotel Company?

You doubtless refer to the Mount Royal Hotel debenture stock recently sold at par with a bonus of common. Since the offering blocks have been selling in unlisted security circles at 91 and 93 with the bonus of common also. These debentures carry interest at 8% and in June the debentures are convertible at the pleasure of the company into 8% preferred stock. This issue then of $7,000,000 would rank second to the $4,000,000 first mortgage bonds. The proposition, then, must be viewed as a business man's investment. The prospects before the hotel are considered bright. There is need for such an institution in Montreal. The United Hotels Co. has been invariably successful in its ventures.

CANADIAN-KANSAS OIL

Reader, Hull.—We are unable to obtain from the brokers of this district information regarding the market value of the shares of Canadian-Kansas Oil Company, Montreal. Will you kindly give us some information regarding this company?

There is no market for the shares of Canadian-Kansas Oil Co. This concern was organized about two years ago with some highly regarded Montreal business men behind it to develop property in Kansas. Almost all of the $600,000 of capital stock was sold at various prices up to 70 cents a share. The money has been spent on drilling operations and four wells were brought in. These had to be capped, due to the recession in the market for crude oil. Oil is, however, reaching a price where it will be profitable to reopen the wells for production. The company is now greatly handicapped by lack of capital to extend its operations further and it is likely that there will have to be a reorganization looking to an increase in the authorized capital. Additional properties may be taken in. The president is John Irwin, of McArthur, Irwin Company.

HOLLINGER MINES

R. M., Winnipeg.—Would like your opinion of Hollinger Mines.

Since you have been a holder of Hollinger for some time you are aware that the company is paying 65 cents per share per year and at the same time piling up a tremendous cash surplus. This, we are creditably informed, is now close to $9,000,000. The mill has been treating 4,000 tons of ore daily and the necessary new equipment to increase the tonnage to 7,500 tons daily, has been ordered. This year should see the change made. This will mean that costs will drop materially with the higher tonnage and where the gross earnings are now said to be $1,000,000 monthly, the new tonnage should more than double it. The power situation, however, is vexatious to many, but I would not let this influence me to sell in any way. The Hollinger has now somewhere around 170 veins and years and years of ore ready for the increased tonnage. It should rise to new levels. There should be an increase in the dividend. Many expect this at the annual meeting in March and they are also predicting a bonus. 1922 profits were $6,478,000.

DOMINION STORES

Reader, Sydney.—I would like your opinion and advice on Dominion Stores as an investment.

As to Dominion Stores, the issue you probably have in mind is the one now being marketed by three Toronto houses, the issue of $250,000, 8% cumulative, Class "A" preferred, carrying a bonus of 25% common. This issue is preferred as to assets and dividends. The capitalization of the Dominion Stores now stands:

	Authorized	Issued
8% class A pfd. ..	$1,000,000	$279,500
7% class B pfd. ..	250,000	250,000
Com. no par val. shs.	25,000	25,000

The company is now operating 190 stores and plans to open 50 more in the near future. Ten will be opened in Ottawa within a month. Later 25 will be opened in Montreal.

Profits in 1922 were at the rate of 2% on the turnover. This is above 1921. In fact, the reports for the past three years show an increase in stores, turnover, expense and profits. The figures are:

	1922	1921	1920
Turnover	$5,059,508	$3,461,153	$2,401,631
Gross profit .	966,969	594,663	382,062
Overhead	866,877	536,418	347,383
Net profit	100,092	58,245	34,679
% of overhead	17.1	15.5	14.4
Stores operated.	190	122	62

The average turnover per store in 1922 was $39,000, many of the stores not having operated the whole year. Net assets at the end of 1922 were $605,534.

L. R. STEEL

R. K., Halifax.—Would like information on the following questions regarding the L. R. Steel Corporation. Have they gone into bankruptcy? Will the stockholders get anything out of the wreck? Will an investor with $1,000 worth of stock get any of his money back?

The L. R. Steel Corporation has not gone into liquidation. Steel has been ousted and a council of some five men have been placed in control. They are going to try to rescue something from the wreck and have announced that they will abandon many of the projects which Steel had under way. They will confine their efforts to trying to make good on the various propositions already launched.

As to the future, one guess is as good as another. THE FINANCIAL POST has consistently advised its readers to have nothing to do with the project. It may be that in the long run the shareholders will get something. It is going to be a long hold. Steel units that were sold at $250 are now offered by unlisted security houses in Toronto around $30. A Denver quotation on Steel issues in that section of the U. S. gives the following prices for the individual issues: Steel Realty, pref. $24, common, $8; stores, pref., $20, common, $10. There are also Voting Trust quotations, but as far as we can learn Canadian issues are not held in this manner.

EAST KOOTENAY POWER

I. M., Quebec.—Could you please supply me with some information about the East Kootenay Power Company? I have $1,000 for investment and I was wondering if it is better to buy the above bonds due 1942 at par with a bonus of 2½ shares common rather than Southern Canada Power due 1948 at 98.50.

The bonds of the Southern Canada Power Co. and those of the East Kootenay Power Co. are hardly comparable. One is an established hydro-electric power developing and distributing corporation with a record behind it as well as before it. The other is a comparatively new project that has not yet reached its fullest initial production and has issued no earnings statement that will give an idea of its real future.

We consider the 6 per cent. bond of the Southern Canada Power Co. due 1928, as a good purchase at 98.50. The company has attained such a position that it is able to pay dividend on the preferred stock and there is a good surplus of assets behind these bonds.

The East Kootenay Power Co. is a development in southern British Columbia that gives promise of having a sucessful future. The power is being marketed under long term contracts with such concerns as the Consolidated Mining and Smelting Co., the Hillcrest Collieries and the cities of Cranbrook and Fernie. While not in the same class as the Southern Canada Power bonds, this security returns a somewhat higher yield and the speculative feature that is present because of the newness of the project is compensated for to some degree by the bonus of common stock.

PRINCE ALBERT CLUB

V. A., Nova Scotia.—In 1912 I bought a share in the Prince Albert Club. Can you tell me if I can recover anything on this, or anything about the company? I also hold a share in the Prince Albert Tennis Club. Can I get any information regarding this?

The Prince Albert Club of 1912 was an extravagant organization starting in the champagne days of the West. It lasted three or four years, went head over heels in debt, dissolved and left many suffering creditors, so the share you speak of would be no good. It has been since replaced here by a more moderate businessman's club known as the Keewatin Club which, however, has no connection with the old Prince Albert Club.

There was a Prince Albert Lawn Tennis Club here some years ago with great hopes at $100 a share. This club, however, fell upon evil days and is now defunct. It lost its property to the Union Bank under foreclosures. Four years ago a new organization was formed, The Prince Albert Tennis Club, entirely different from the previous one, and this latter company issued $25 shares and gathered sufficient capital to buy up the old property from the Union Bank, and it is now going strong and its shares should be worth par although it might be difficult to sell them readily. However, we are afraid your share is in the defunct club if the stock certificate is for $100.

WINNIPEG RAILS

H. C., London.—It seems to me that, with the franchise extension and improvements to Winnipeg Railway indefinitely postponed, all the common shareholders have to look forward to is four years' wrangling over fares, and the usual municipal endeavor to starve the company. The question follows, would the ultimate purchase price recoup them for their long wait? And it is more particularly on this point that I should be glad of your views.

Winnipeg rails has made about five points this year, but it is difficult to judge whether this is a reflection of an improvement in revenue from various services or prospects of a renewal of the franchise. Despite the fact that there is a labor mayor, who is in favor of public ownership, there is a feeling in company circles in Winnipeg that this element will not be strong enough to carry their point and that the majority of the council will favor an extension of the franchise. We have recently been in touch with officials of the company but our representatives in Winnipeg, report the situation as being clouded for the time being. Developments from time to time will be reported in THE FINANCIAL POST.

The point might be made that if the company's franchise is not extended some arrangements might be made by which the city would take over the system on terms which might give the shareholders a reasonable return on their investment. It is not so long ago, for instance, that the Toronto Railway was selling at half the price it rose to on the announcement of the conclusion of the arbitration proceedings in connection with the sale of the property to the city.

Place Speculative Funds in Hands of Reliable Mining Men

Sir:

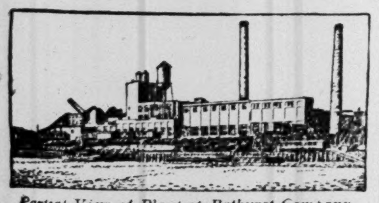
I was very pleased to see the article published in THE FINANCIAL POST under caption: "Why hearken to Sucker-Seeking Oil Schemes?—Our Mines Need Capital!" in your issue of the 16th inst., and I would suggest that the initial paragraph and the concluding paragraph might have been set up in capital letters.

Northern Ontario is destined to become one of the greatest gold fields in the world and those who are interested in the development of that country require every assistance they can get. The public are too prone to look upon all gold mining propositions as out-and-out gambles and it requires a publication such as yours to assist in creating the confidence which is necessary to help secure the necessary capital for the purpose. Of course it may be that the wildcatter is still in existence and it is hoped that the Blue-Sky Law and other measures will take care of the public in that respect. All legitimate gold mining propositions require your support and you can do much in that direction. Millions of dollars have been paid in dividends and many millions more will be paid to those investors who have the necessary courage, foresight and optimism in regard to our mining industry, but it will be necessary for them to be sure that they are placing "their funds in the hands of reliable mining men for investment." If we had but a tithe of the money that has been sent to the south for so-called investment in oil fields and it was available for the development of good properties in Northern Ontario, it would not be long before Ontario would be the second largest producer in the world and there is every tangible reason to support the prediction that in due time it will become the premier producer. Large capital is required to develop promising properties, and Canadians, especially those resident in the Province of Ontario, should be the first to appreciate the potentialities of these properties and the wonderful possibilities for getting big returns on their investments. These fields are within easy reach and can be inspected and seen by all concerned: not so with the distant oil fields. Canadian capital should be instrumental in bringing about the necessary development of the Ontario gold fields and earn for itself the profits that will result—and it is earnestly hoped by all who are concerned in legitimate propositions that your valuable journal will do everything possible to further these interests and to enlighten the public in the matter. If proper action is taken in that direction then we may hope to put a stop to the constant flow of good Canadian money southwards.

Thanking you for your valuable space, I am.

Yours very truly,
CONSTANT READER.

ASC INVESTMENT-SERVICE



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CURRENT OPINIONS

NAGGING AT SIR HENRY

London Advertiser

"Le Canada of Montreal appears 'fed up' on Sir Henry Thornton's social obligations, even if he is not; for it bluntly suggests that he bid farewell to banqueting and get down to work."—Hamilton Herald.

There used to be a belief in many enterprises that unless a man were shut up tight in his office all day he was not doing his full duty by the firm. That view held for a long time, until one day a bright chap got the idea that it might be a good thing to get away from the office and see what was going on elsewhere. He believed that others might know something more than he did about business, and he also had the idea that by going out he might meet people who should be doing business with him.

We have had a lot of people and a lot of papers growling away at Sir Henry Thornton ever since he came to Canada. None of these people and none of these papers know a thing about railroading, but they all know for sure that it's time Sir Henry Thornton "got down to work." They take it for granted, apparently, when he is away from his office; when he is meeting and influencing hundreds and hundreds of business men at these dinners and banquets, that he is just scampering around for a bit of a lark, or that he is off for a joy-ride at the expense of the country.

The more people Sir Henry Thornton can know, the more places he can visit, the more he can sell the National Railways to the people who need its services.

Why, then, persist in barking away at him because he refuses to sit down in an office in Montreal and stay there?

Or do they want him in a set of overalls lifting engines off and on the tracks?

HOW GREAT BRITAIN SAVES

Kingston Standard

A letter from the War Office has been brought to our attention, which show how Great Britain is saving money, and is a scheme which we recommend as worthy of being copied here. The letter is printed in part on a book, octavo, Manilla paper, consisting of a single leaf and as follows: "Sir, I am commanded by the Army Council to acknowledge the receipt of your letter of.... on the subject of .... and to inform you that it has been forwarded to .... to whom it should have been addressed in the first instance, and who will give the necessary instructions for a reply to be sent to you. I am, Sir, your obedient servant." But there was no envelope used. On the other side of this single sheet there is printed, "On His Majesty's Service" with lines for the address, and the lower edge of the paper is gummed partly across so that when this is moistened the letter can be folded up and fastened. This is a reversion really to the days before envelopes were used; when writing paper had a "flap" to it which when fastened sealed up the letter, but it is also an innovation, as there is no flap to the single sheet.

It will be seen also what a lot of writing having the parts of the letter quoted printed must save, and no doubt there must be many other letters prepared in this way. Those of us who have had communications from Government Departments here must have noticed what contrasts they form to this British one. Expensive bond paper quarto size, costly envelopes, and typewritten letters are the general rule. We know that a committee of the Dominion House has been making a saving in printing and stationery, but we do not think the Drury Government has bothered about this. At all events this British letter is worth drawing attention to in the hope that it may lead to some of that economy which is so much needed in Government expenditure.

PAPER AND PULPWOOD

Sault Ste. Marie Star

Washington reports indicate a growing belief that the near future will bring a Canadian embargo on the export of wood pulp, to force the manufacture in Canada of the immense quantities of pulp and pulpwood now shipped to the United States, says the St. John Globe. It is estimated that American paper mills now secure fully one-third of their requirements from Canada, and THE FINANCIAL POST says: "Canada's idea is to sell paper—the finished product—rather than the raw material." If the regulations forced the manufacture in Canada of the immense quantities of pulpwood and pulp now exported to the United States, the result would be a very great increase in Canadian employment and in the distribution of wages to Canadian workmen. None oppose supplying the American markets with all the paper Canada can afford to export, but many doubt the wisdom of permitting the raw material to leave the country when its manufacture into the finished product could be made a steadily-increasing factor in creating wealth out of a raw material which, if properly conserved, should be a national asset of permanent and almost unlimited value. Every province of Canada will benefit from the enforced manufacture of this raw product into paper, and the demands of the mills would give new force to the arguments for a wise forest policy.

The Greenshields Catalogue

describing and analyzing 53 representative Canadian bonds and stocks of highest grade. Giving all the information as to each security that a buyer will require.

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NEWS AND VIEWS ABOUT BONDS

ONTARIO SETS UP SINKING FUND TO WIPE OUT DEBTS

Borrowing This Year Will Be Less Than In the Past Year

During the coming year the province of Ontario will borrow the sum of $35,000,000. Last year the annual provincial loan act gave authority for flotations to the amount of $55,000,000 so that this indicates a decrease of about $20,000,000 in the financing of the province for the year.

From the total to be borrowed this year $11,000,000 is to refund loans and treasury bills falling due. Another $3,000,000 will go to the Temiskaming and Northern Ontario Railway construction work; and $16,000,000 will be spent upon highway developments. The remaining $5,000,000 is authorized for the purchase of succession duty free bonds. The province intends to continue its work of getting into the sinking fund all of these bonds outstanding. They have proved a very expensive proposition for it is estimated that every seventh time these bonds change hands—and they change hands every two or three years—the province loses their full face value. During the past year the actual loss to the province by reason of these succession duty free bonds being outstanding was calculated and in his budget speech last week Hon. Peter Smith, the provincial treasurer stated that the loss amounted to $419,333, which otherwise would have gone into the revenue of the province.

Debt to be Retired

Mr. Smith stated that at October 31st, 1922 the gross debenture debt of the province totalled $221,836,339. In this amount were included the debts of revenue-producing enterprises and debt for housing and drainage purposes to a total of $152,325,995. Deducting the general sinking funds this leaves a net debt of $61,589,360 and the treasurer said he proposed amending the Provincial Loan Act to provide an annual sinking fund of 1 per cent. of this amount which would repay the entire indebtedness in a forty year period. Commencing on the 30th of April next and continuing half yearly he will buy sufficient Provincial or Victory Bonds for this purpose. Interest will be reinvested for the sinking fund.

The estimates for the coming year indicate estimated receipts of $39,372,029 and an estimated expenditure of $52 280,210. Of this latter expenditure $26.682,001 is on capital account. The apparent difference between ordinary receipts and ordinary expenditures of about $13.000.000 is accounted for by the fact that statutory expenditures which will total about that sum are not included above.

How Money Has Been Spent

The provincial treasurer went into great details in showing how the money that has been borrowed during the past three years has been spent. In the three years from October 31st, 1919 to October 31st, 1922, there wes an increase in the direct liabilities of the provincce from $97,500,000 to $240 900.000, an increase of $143.300.000. This was accounted for as follows:

Hydro Electric development	$71 400.000
T. & N. O. Railway	3 300.000
Highways	36 900 000
Northern Ontario Develop.	3.700 000
Public Buildings	3 800 000
Colonization Roads	1,000,000
Lands and Forests	
Forest Ranging, Fire Ranging, Surveys, Reforestation, Clearing Town sites, etc.	1,400,000
Capital Exp. on Public Wks.	800,000
Purchase of Bonds & Stocks (Succession Duty Free) for sinking fund purposes	6,670,000
Housing Loans to Munihipalities	6,250,000
Assets improved by cash in Bank	8,400,000

$750.000 ISSUE CONTINENTAL PAPER

Royal Securities Offer Bonds of Subsidiary of International Paper Company

From Our Own Correspondent.

MONTREAL.—Private offering is being made, and public offering will likely be made next week of $750.000 of bonds of Continental Paper Products, Ltd., of Ottawa. This company is controlled through stock ownership by the Continental Paper and Bag Mills of New York, which guarantees the bonds. The latter company is a subsidiary of International Paper Company.

The bonds which bear 6½ per cent. interest and mature in 20 years are offered by Royal Securities Corporation at 99 to yield 6.55 per cent. They will be secured by a first mortgage on all the assets of the company and by the deposit of an equal amount of first mortgage bonds of Continental Wood Products Company which operates at Elsas, Ontario, a lumber and pulpwood plant. The plant at Ottawa turns out paper bags and similar merchandise.

Net earnings of Continental Paper Products, after operating expenses, maintenance and repairs, have averaged $115.969 per annum for four years, as compared with interest requirements on the bond issue of $48,750.

Property values total $1.671.058 and net current assets $584,807. Exclusive of goodwill net assets total $2,255,865.

February Bond Sales

New Canadian bond financing in February totalled $76,759,746 compared with $37,890,162 in January. Of the total $46,811,346 was raised in Canada as compared with $28,725,000 in the United States.

February Bond Sales

Government	$ ......
Provincial..	......
Municipal	25,664,746
Corporation	26,095,000
Railway	......
Foreign	25,000,000
Total February	$76,759,746
Total January	37,890,162
Year to date	$114,649,908
Where Sold	
In Canada—	
Municipal	$ 8,689,746
Corporation	13,121,600
Foreign	25,000,000
	$46,811,346
In United States—	
Municipal	$16,725,000
Corporation..	12,000,000
	$28,725,000
In Great Britain—	
Corporation..	1,223,400

HYDRO POWER ISSUE $300,000 OFFERED

Versailles, Vidricaire and Binlaise Sell Bonds to Finance St. Albans' Plant

From Our Own Correspondent.

MONTREAL.—The investments house of Versailles, Vidricaire and Boulais is offering an issue of $300,000 of first mortgage bonds of La Compagnie Hydraulique de Portneuf, Inc. The bonds bear 6½ per cent. and mature serially from 1929 to 1938. They are being offered at par.

La Compagnie Hydraulique de Portneuf is erecting at St. Albans on the River St. Anne a hydro-electric development of 3,300 horse power which will later be increased to 8,500 horse power. All of the power has been sold under a ten year contract to the North Shore Power Company, a subsidiary of the Shawinigan Water and Power Co. The bonds comprise part of a total issue of $360.000 of which $60,000 will remain in the treasury to finance further expansion.

Western Quebec Power Bonds Up 10 Points

From Our Own Correspondent.

MONTREAL.—A sudden scarcity has developed in Western Quebec Power bonds. These were freely traded in at around 80-82 just a few weeks ago and now there are now offerings although 91 is bid. In explanation of the rise it is stated that an enlargement of the company's activities is anticipated that may involve consolidation with other power interests and it is also believed that some new financing will be arranged in the deal.

CANADA'S DEBT UP AGAIN IN JANUARY

Increase in Net Debt Was $7,500,000 in First Month of Year

From Our Own Correspondent.

MONTREAL.—Again in January the net debt of Canada showed an increase. This time the month's enlargement of the debt amounted to approximately $7,500,000 and the total increase for twelve months amounted to $47,000,000. This brought the net debt at January 31, 1923 to $2,419,979,993.

Funded debt of Canada at end of January was $2,368,257,361 compared with $2,441,790,809 at end of January, 1922. Debt was made up as follows:

	Jan. 31, 1922	Jan. 31, 1923
Payable in Canada	$1,994,845,339	$1,821,322,892
Payable in London	336,001,469	336,001,469
Payable in New York ..	110,944,000	210,933,000
Total	$2,441,790,809	$2,368,257,361

Total gross debt, including temporary loans, Dominion notes, savings bank deposits, trust funds, etc., was $2,928,350,651 at the end of January, a decrease of $5,600,000 for the year. Total active assets were $508,370,657, against $551,360,065, leaving net debt of $2,419,979,993 January 31, 1923.

New Issue $395,000 Provincial Paper Bonds

From Our Own Correspondent.

MONTREAL.—There are now $1,500,000 of the first mortgage 6 per cent. bonds of the Provincial Paper Company outstanding. An additional $395.000 has been issued bringing the total issue to that amount.

The new block is being offered by the United Financial Corporation at 99 to yield just over 6 per cent. The bonds mature in 1940 and are part of an authorized issue of $3.000,000.

The statement is made that the value of the equity over and above the bonds, represented by the current prices of the preferred and common stocks, is over $4.700.000. Net earnings in 1922 were 6¾ times interest requirements on the total issue without consideration for possible profits of the new plant at Port Arthur.

Red Star Refineries Will Have Bond Issue

From Our Own Correspondent.

MONTREAL.—Announcement may be expected in a few days of the new financing plans of Red Star Refineries. It is understood that changes of some importance are being made in the personnel of the board of directors. A bond issue of an authorized amount of $350 000 will be offered to the public, THE FINANCIAL POST understands.

Values of Unlisted Bonds

MONTREAL.—The Department of Insurance at Ottawa has again issued its valuations of the securities held by Canadian insurance and trust and loan companies. The quotations are as at December 31, last, and while they are published to guide the companies in preparing their statements the quotations given for many bonds that are not widely traded in will be of value to investors in valuating their private holdings. The department's quotations as at December 31, 1922, are given below and in many cases the similar quotations for the previous year are added.

BONDS

	Per cent.		Market Values Dec. 31, 1922	1921
Algoma Steel	5	1926	40	46
Amer. Salesbook	6	1927	100	97
Ames Holden McCready	6	1941	55	97
Ames Holden Tire . . .	7	1939	60	75
Asbestos Corporation . .	5	1942	85	78
Ashdown Hardware	5	1928	94	87
Belgo Paper	6	1947	100	..
Brandram-Henderson . .	6	1936	93	91
B. C. Cement	6	1939	75	75
B. C. Income Bonds ...			50	..
B. C. Telephone	4½	1962	84	62
Calgary Power	5	1940	77	75
Can. Machinery	6	1940	76	..
Can. Starch	6	1930	95	91
Can. S. S.	5	1943	80	70
Can. West Coast Nav. .	6	1925	96	..
Can. Crocker-Wheeler ..	6	1932	95	..
Can. Light and Power .	5	1949	80	65
Can. Locomotive	6	1951	100	87
Can. Salt	7	1941	101	94
Can. W. Nat. Gas	5	1936	67	39
Cascade Water	4½	1940	76	..
Casino Co.	7	1928	92	..
Cedar Rapids	5	1953	95	93
Chatham Gas	5	1927	95	..
Chicoutimi Water	5	1932	85	..
City Gas Co.	6	1927	92	92
Clifton Co.	5	1929	89	..
Dom. Coal	5	1940	96	..
Donnacona Paper	6	1940	100	..
Dryden Paper	6	1945	88	85
Dunlop Tire	5½	1946	99	94
Eastern Can.	6	1952	93	81
Electrical Development .	5	1933	96	96
Fraser Co.	6	1929	97	..
Fraser Co.	8	1941	102	..
Gordon, Ironsides, Fares	6	1927	50	96
Harris Abattoir	6	1928	100	94
Hillcrest Collieries	5	1940	85	..
Kaministiquia Power ..	5	1937	84	85
Kaministiquia Pulp	7	1935	30	50
Lewis Bldg.	5	1952	78	..
McCormick Mfg. Co. ..	6½	1941	93	86
Mattagami Pulp	6	1937	50	50
Montreal Abattoirs	6	1939	50	..
Montreal Abattoirs	6	1939	60	..
Montreal Abattoirs	7	1926	98	..
Montreal Steel	6	1940	93	..
Montreal Transport ...	6	1927	98	..
Montreal W. & P.	4½	1932	88	84
Nanaimo Electric	7&8	1924	100	..
Nat. Breweries	6	1939	100	..
Nat. Fireproofing	6	1931	90	..
New Brunswick Power .	5	1937	77	..
Newfoundland Power ..	7	1932	50	..
Ontario Power	5	1943	95	96
Ottawa Electric	5	1933	89	86
Ottawa Gas	6	1939	101	..
Ottawa L. H. & P.	8	1940	105	105
Pacific Collieries . ..	6	1939	no value	
Pacific Collieries . ..	6	1942	no value	
Petrolia Gas	6	1926	99	..
Picton Electric	7	1923	95	..
A. E. Rea & Co.	5	1931	85	84
Ritz-Carlton	5	1942	59	..
Ritz-Carlton	6	1943	55	..
Rolland Paper	6	1937	96	90
Sao Paolo Electric	5	1962	78	59
Wabasso Cotton	6	1947	90	..
Wayagamack	6	1951	82	..
Western Power	6	1949	85	75
Western Power	7	1926	90	..
Western Quebec Power .	6½	1931	90	91
Western Timber	6	1925	80	..
Whalen Pulp	6	1923	99 to	
	to	1934	88	..
Whalen deb.	7	1932		60
on. Ironsides, Fares ..	6	1927	50	96

Kirkland Gateway mines at Swastika are reported to have received the support of a large British interest. Large ore bodies are said to have been opened up on the upper levels and the immediate plans are to sink the shaft and open levels at 350 and 500 feet.

BOND MOVEMENTS OF THE WEEK

Week Ending February 27

Asbestos	5	1942	5.92	100	76	89	87½	90	88	89	—
Can. Bread	6	1941	6.15	99	88½	99¼	97¾	99	98	98¼	98
Can. Cement	6	1929	5.92	100½	94	101	100	—	100½	100½	—
Cedar Rapids	5	1953	5.28	97½	93	96½	95¾	—	96½	96½	95½
Cons. Rubber . . .	6	1946	5.90	100¾	88	101	100¼	—	103	101	—
Dom. Iron	5	1929	6.21	94	82½	93¾	92¾	94	92	93¼	93
Dom. Textile (D)....	6	1925	6.00	100	98	100	99¾	—	100	100	—
Montreal Trams . ,	5	1941	5.70	93½	87½	92	89¼	91¾	90¾	91¾	—
Montreal May . . .	6	1923	6.00	104	99	100⅝	100	—	100½	100	—
Do., Sept.	6	1923	6.00	102	99	100	99¾	—	99¾	100	—
N. S. Steel	5	1959	5.50	90	78½	92	89	—	88	92	89
Ogilvie (C)	6	1932	5.65	102½	100	102¼	102	—	102½	102½	—
Quebec Rly.	5	1939	7.76	87¼	63½	74¾	69	—	74	74¼	72¼
Rio	5	1935	6.52	87¾	76	86¾	85½	86½	85¾	86¾	—
Steel of Can. . . .	6	1940	5.95	100¾	97	100½	99¼	101	100	100½	100
Wayagamack	6	1951	7.32	88¾	71¾	84¼	80½	84¼	84	84¼	84
Sher. Williams	6	1941	6.00	100	96	100	99	100	—	100	—
War Loan	5	1925	4.75	96.30	96.10	100.80	99.10	——	100.70	100.80	100.50
Do., ...	5	1931	4.83	99.90	96.25	101.80	99.80	——	101.00	101.80	101.00
Do., ...	5	1937	4.72	101.50	99.50	102.75	101.25	103.50	103.00	102.75	102.50
Victory Loan	5½	1923	5.24	100.70	98.75	100.95	100.25	100.50	100.25	100.55	100.25
Do., ...	5½	1924	5.15	100.75	98.00	101.40	100.25	100.90	100.65	100.85	100.40
Do., ...	5½	1927	4.82	102.70	99.75	103.00	102.35	——	103.00	103.00	102.80
Do., ...	5½	1933	4.80	104.35	101.25	106.70	104.40	106.15	105.95	106.10	105.90
Do., ...	5½	1934	5.17	101.45	98.80	103.90	101.30	102.95	102.85	103.00	102.70
Do., ...	5½	1937	4.74	106.25	103.00	108.15	106.50	108.15	108.00	108.15	107.75
Do., Renewal	5½	1927	4.95	101.10	99.40	108.60	101.00	.....	102.40	102.50	102.40
Do., Renewal	5½	1932	5.19	101.10	99.70	103.00	101.00	102.75	102.40	102.50	102.40

Wm. Davies Co., Inc.
6% First Mortgage Bonds
Due 1st November, 1942
Price: 99 and interest,
Yielding 6.09%.

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6% First Mortgage Bonds unconditionally guaranteed both as to principal and interest by
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of England
Due February 1, 1943.
Price 97¼ and interest
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Wayagamack 6's..	1951
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Montreal Public Service 5's.........	1942
Montreal Public Service 6½'s	1924
Montreal Tram Power 6½'s	1924
Manitoba Power 7's	1941

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(ESTABLISHED 1901)
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No investor in these securities has ever lost a dollar of interest or principal nor had to wait a day for payment.

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Apply to Box 66, THE FINANCIAL POST

Annual Report for the Year Ending December 31st, 1922

PENMANS LIMITED

Corporate Office: Montreal, Que. General Offices: Paris, Ont.

BOARD OF DIRECTORS—1922—1923

President—SIR CHARLES GORDON, G.B.E.
Vice-President—R. B. MORRICE.
H. B. MacDOUGALL J. N. LAING J. R. GORDON
WM. McMASTER J. P. BLACK JOHN BAILLIE
V. E. MITCHELL, K. C., D.C.L.
I. BONNER, General Manager. C. B. ROBINSON, Secretary-Treasurer.

DIRECTORS' REPORT

Your Directors are pleased to submit to the Shareholders their Annual Report of the operations of the Company for the year ending 31st of December, 1922.

The business of the Company for the year has shown a marked improvement over 1921, our Sales amounting to $6,224,740 as against $4,789,052 for 1921, an increase of $1,435,688, or equal to 30%.

After paying Interest on Bonds and making allowance for Depreciation on Plant and Income Tax, writing off of Bad Debts and Old Machinery, the Net Profit amounts to $431,731.52, from which we paid Dividends on Preferred and Common Stocks amounting to $236,548.00, leaving a surplus for the year of $195,183.52.

The Profit and Loss Account now amounts to $1,076,065.02.

The Surplus of Liquid Assets over Liabilities has been increased during the year by $276,288.45, the Active Surplus now amounting to $3,418,438.11.

During the year your Directors visited the plants at St. Hyacinthe, London, Paris and Brantford, and found them in a satisfactory state of efficiency.

The Directors desire to express their appreciation of the valuable services rendered by the Staff and Employees throughout the year.

In view of the very trying industrial conditions of the past few years, I am sure you will consider the results of our operations for the fiscal year just ended as extremely gratifying.

The Books and Accounts of the Company have been audited during the year by C. S. Scott & Company, Hamilton, and their report is presented herewith.

Respectfully submitted,
C. B. GORDON,
President.

PROFIT AND LOSS ACCOUNT

For the Year Ending 31st December, 1922.

Gross Trading Profits for year ending 31st December, 1922..		$ 731,434.44
Deduct:		
Interest on Bonds	$100,000.00	
Reserve for Depreciation on Plant	100,000.00	
Reserve for Income Tax	40,000.00	
Machinery written off	42,625.33	
Bad Debts written off	17,077.59	
		299,702.92
Net Earnings for the year 1922		$ 431,731.52
Disbursements:		
Preferred Dividend 6 per cent	$ 64,500.00	
Common Dividend, 8 per cent	172,048.00	
		236,548.00
Surplus for the year		195,183.52
Brought forward from 31st December, 1921		880,881.50
Balance at Credit Profit and Loss Account		$1,076,065.02

GENERAL STATEMENT As at the 31st December, 1922.

ASSETS

Fixed:		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, etc.,—Less Depreciation		$3,606,377.24
Additions during the year		148,520.40
		3,754,897.64
Less:		
Properties sold	87,000.00	
Machinery written off	42,625.33	
		129,625.33
		3,625,272.31
Goodwill, Trade Marks, etc.	1.00	
Current:		
Cash on hand and in Bank	299,311.29	
Accounts Receivable	958,878.55	
Bills Receivable	126,979.39	
Inventory of Raw and Manufactured Stock	2,077,013.10	
Unexpired Insurance	16,248.11	
Victory Bonds	204,100.00	
Total Current Assets		3,682,530.44
		$7,307,803.75

LIABILITIES

Capital Stock:		
Authorized, Preferred	$1,500,000.00	
Do., Common	2,500,000.00	
	4,000,000.00	
Issued, Preferred	1,075,000.00	
Do., Common	2,150,600.00	
		$3,225,600.00
Five Per Cent. First Mortgage Bonds:		
Due 1st November, 1926		2,000,000.00
Reserve Account		742,046.40
Current Liabilities:		
Unclaimed Dividends	173.47	
Accounts Payable, including Reserve for Income Tax	210,316.06	
Bills Payable	26,122.11	
Wages	27,480.69	
Total Current Liabilities		264,092.33
Surplus—Balance Profit and Loss Account		1,076,065.02
		$7,307,803.75
Indirect Liabilities:		
Customers' Paper under Discount	$53,461.00	

C. B. GORDON, President.
R. B. MORRICE, Vice-President.

Spectator Building,
Hamilton, Canada.

C. S. SCOTT & CO.,
Accountants, Auditors, &c.

We certify that we have audited the Books and Accounts of Penmans Limited for the year ended December 31, 1922, and have been furnished with vouchers for all expenditures.

We have obtained all the information and explanations that we have required, and in our opinion the Balance Sheet herewith is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

C. S. SCOTT & CO.,
Auditors,
per C. S. SCOTT, F.C.A.

Hamilton, January 31st, 1923.

CIVIC AND PROVINCIAL FINANCE

BOND ISSUES ARE SCARCE; FEW NEW ONES OFFERING

Two Small Municipal and One Paper Offering Made

BOND ISSUES ARE . . . .

Bond offerings during the past week have been very limited. No large municipal or governmental issues have come to the front. Only a couple of small Western municipalities came onto the market to place issues. The largest offering of the week was an issue of Provincial Paper through the United Financial Corporation. The total is $395,000, 6% gold bonds, which are being offered at 99. The funds are to reimburse the company for its expenditure on the new plant at the head of the lakes on which the expenditure has been about $1,250,000.

The Town of Selkirk placed $70,000 bonds with Nesbitt, Thompson and Co., Montreal. They are 6%, 20-year. The bids:

Nesbitt, Thompson & Co.	105.84
Dom. Securities	104.55
Wood Gundy	104.15

The Town of Trail, B. C., sold the Royal Financial Corp., Vancouver, a small issue amounting to $11,980 at 96.43 and interest. The bids were:

Royal Financial Corporation, Ltd., Vancouver	96.43
Waghorn, Glynn & Company, Vancouver	94.
British American Bond Corporation, Vancouver	93.18
McKay-McKay, Toronto	88.48

Sherbrooke, Quebec, called for tenders on two bond issues and rejected all bids. One issue was for $125,000, bearing interest at 5 per cent., and due 1943, and the other for $50,000, 3½% bonds, due 1940.

LOSSES SUSTAINED BY MANITOBA HYDRO

Amount to Nearly Quarter of Million According to Provincial Auditor

From Our Own Correspondent.

WINNIPEG.—That losses have been sustained by the province of Manitoba of $223,942 through ventures into the field of hydro development is indicated in a special audit of the finances of the Manitoba Power Commission, made by A. D. Joliffe, provincial auditor of revenue. The total includes the net operating deficit for last year of $20,647, depreciation on equipment, percentage of organization costs, line repairs and interest on non-revenue bearing expenditures, and unexpended capital.

The report points out that the total debenture indebtedness of the commission now totals $2,165,000 while the book valuation of the property is placed at $1,619,586. Money in the bank available for expenditures totals $344,368, which raised the total assets to $1,962.954. Subtracted from the total debentures this leaves $201,046, which has been expended by the commission for which no value now is held.

Says Reserve Reduced to Cut Down Deficit

In a letter to the editor of the Edmonton Bulletin, the allegation is made that the reduction in the deficit on the street railway system to $2,628 as compared with $48,684 in 1921 and $200,000 in 1920 has been effective at the expense of depreciation reserve, which it is claimed has been reduced from $130,964 in 1920 to $34,882 in 1921, a reduction in 1921 of $69,082.

It is pointed out that, while there was this reduction in the depreciation reserve of the street railway department, the reserves of the power plant, the electric light plant, and the telephone department was materially increased.

WINNIPEG HYDRO ELECTRIC

The Winnipeg Hydro Electric Commission reports a profit of $14,609 for 1922, compared with a deficit of $27,000 in the previous year. The report of Manager J. G. Glassco is optimistic, although the admission is made that the merchandising department experienced another unprofitable year through the business depression.

Rate reductions were made during the year, which meant a loss in revenue of $25,000, which it is hoped to overcome eventually by increased consumption.

SOUTHERN CANADA POWER

The following are the gross and net earnings of the Southern Canada Power Co., Limited and its subsidiaries for the month of January and for the four months ending January 31st, 1923, as compared with the same period of last year:

	Jan. 1923	Increase
Gross earn. ..	$ 82,023.35	$ 8,260.17
Operating exp. & purchased power	36,013.66	5,650.77
Net earnings .	$ 46,009.69	$ 2,609.40
Four Months Ending January 31st		
Gross earn. ..	$310,639.85	$ 15,256.34
Operating exp. & purchased power	137,925.36	14,524.66
Net earnings .	$172,714.49	$ 731.68

FOUR TOWNS SHORT IN SINKING FUNDS

Island of Montreal Communities Involved and Commission Will Investigate

From Our Own Correspondent.

MONTREAL.—The Island of Montreal Metropolitan Commission has asked the provincial government to approve of the appointment of an inspector of finances for the town of Montreal North, which has gotten pretty deeply into debt. Not only are the finances of the town somewhat involved, but the local political situation is such as to give investors in the town's bonds some annoyance. No meeting of the town council has been held since December 5, due, it is said, to differences between factions in the council.

The inspector named by the commission is J. H. Levesque, of the commission's staff. Mr. Levesque is now acting as an inspector of finances of the town of St. Michel, another community on the island. He is empowered, when acting as inspector, to control all expenditures of the town he is placed in charge of, and to insure himself that funds are available before any obligation is incurred.

The commission has instructed J. Pelletier, comptroller of Montreal, to make a study of the sinking needs of four of the towns on the Island. These communities have not been keeping their sinking funds up to standard and the seriousness of their situation has attracted the attention of the Metropolitan Commission. A sum of $126,100 was due to the commission last October for the sinking fund of these towns but was not paid, and in lieu of the establishment of this sinking fund as arranged, the commission has allocated $10,000 to start a sinking fund for the retirement of their debts.

The towns involved in the new arrangement are:

Laval of Montreal—Funded debt, $455,000; due to sinking fund, $7,700.
Pointe-aux-Nevilles—Funded debt, $2,308,000; due to sinking fund, $32,200.
Montreal North—Funded debt, $1,142,000; due to sinking fund, $20,000.
St. Michel—Funded debt, $2,047,000; due to sinking fund, $65,000.

MUNICIPALITIES CAUSE HIGH TAXES

So Argues the Minister of Agriculture of Saskatchewan in the Legislature

From Our Own Correspondent.

REGINA.—Provinces, blamed for high taxes by the general public, are really not to blame at all, a statement made by Hon. C. M. Hamilton, Minister of Agriculture, before the provincial legislature, goes to prove.

Municipalities and cities impose the greatest burden upon the taxpayers, according to Mr. Hamilton who quoted the levies of one township (an average one in the province) to prove his contention.

The township taken for illustration shows: General municipal levy from $8.96 to $16.80 per quarter section; grasshopper destruction from $6.40 to $12; interest on seed and feed grain advances, $1.28 to $2.40; schools from $16.64 to $33.60; telephones from $16.45 to $23.40; hail insurance from $6.40 to $46.40, giving an average of about $95.36 in local levies for local purposes per quarter section.

The only provincial levies for provincial purposes are the public revenue tax and the wild lands' tax. The first ranges from a minimum of $2.56 to $4.80 a quarter section; the second, an average of $18.40 a quarter section. Thus the province actually collects only a little more than a quarter of which is levied in rural and urban points for essentially local purposes.

These figures, Mr. Hamilton explained to the legislature, are not given to prove that municipal taxes are too high or provincial levies too low. The comparison is made merely to show the taxpayers where the load which they carry originates and if they are getting value for their money in local improvements for the money they pay out locally.

Tenders and By-Laws

TENDERS WANTED

Mar. 5, Hull, Que.—$59,000, 5½%, bonds, due 1962. H. Boulay, City Clerk. (See announcement on page 16).

Mar. 15, Cobourg—$181,000, 5½% 20-year bonds. A. W. Young, Acting Treasurer. (See announcement on page 16).

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:—

November 30th, 1922—City of Nelson, Light and Power Extension By-law 1922 No. 367, $15,000, payable in twenty years with interest at 5½% payable half-yearly.

December 19th, 1922—City of Fernie, School Enlargement By-law 1922, No. 248, $32,000, payable in twenty years with interest at 6% payable annually.

February 6th, 1923—City of Trail, Local Improvement cement sidewalk Construction Debenture By-law, No. 295. $11,980, payable in twenty years with interest at 6% payable half-yearly.

February 9th, 1923—District of North Vancouver, Waterworks Loans Consolidation By-law, 1922, $50,000, payable in twenty years with interest at 6% payable half-yearly.

DEBENTURE NOTES

Montreal.—Sanction of the provincial Government is being sought for the making of a temporary loan by issue of notes from time to time as and when required, to the amount of $2,000,000 for the financial requirements of the Montreal Metropolitan Commission and its municipalities, and pending the issue of a consolidated loan to be made on or about the 1st day of February, 1924. Application of the municipalities of Verdun and Montreal East for the undertaking by the commission of the refunding of maturing loans of $300,000 and of $70,000 respectively has been granted.

Manitoba.—There is every likelihood that bonds of the province of Manitoba to the extent of $187,000 will be issued for the purpose of relieving the provincial hwdro-electric system of the inflated overhead entailed by the cost of reconstructing lines which fell down during construction as a result of high winds and storms.

SINGLE TAX PLAN WOULD MORE THAN DOUBLE TAX RATE

Commissioner Shoots Holes In Scheme of Single Tax Association

Firm indictment of single tax is made by assessment commissioner James C. Forman of the City of Toronto in reporting upon a recommendation that there should be an annual reduction of 10 per cent. on the assessment of important business and income until the whole of such assessed values were exempted from taxation.

Mr. Forman states that he is strongly opposed to the proposition advocated by the Single Tax Association because he believes it to be not only dangerous but absolutely unjust to narrow the basis of taxation to land only, exempting from taxation all buildings and improvements, business and income which are so able to bear their share of taxation. The final result, he points out, would be an extraordinary high tax rate and an ever increasing one.

Taking the present assessment of Toronto as the basis and the present tax rate at 31 mills, such an annual reduction of 10 per cent. in the assessment apart from land value would mean in ten years that the tax rate of the City of Toronto would have to be 75.6 mills on the dollar to produce the same revenue as could now be produced with a tax rate of 31 mills. The heavy taxation on land resulting would largely nullify land values for assessment purposes with the result that capital invested in land today would be seriousy affected and diminished in value. Mr. Forman calls this practically legalized confiscation.

He refers to the manner in which signatures were gotten from the people asking for single tax. When people were asked to sign the petition they wanted their taxes reduced. Mr. Forman points out that in the cases of many who signed, their taxes would be increased. This would not be the case, however, in the taxes of the wealthy men or women who are now assessed to large incomes as they would be exempted from bearing their fair share of taxation according to ability to pay.

An Authority Quoted

A quotation is made from the statement made by Dr. C. P. Plehn, professor of finance in the University of California, who said:

"As a system of taxation, the single tax is unjust, for it fails to conform to the canon of equal taxation, that is, that all should contribute to the support of government in proportion to ability to pay. It taxes individuals only in proportion to the amount of land that they own. It taxes the poor man's land and exempts the rich man's personal property, mansions, skyscrapers and factories. It is not based on income or any good measure of ability to pay. It exempts nearly all monopolies and trusts. It discriminates against the small owners, mostly the working man."

Making Public Utilities Stand on Their Own Feet

From Our Own Correspondent.

EDMONTON.—Commissioner Yorath has made up a statement for the year 1922, which shows that there is an accumulated surplus of $342,110 to the credit of the utilities account. The telephone, electric light, waterworks, and power house departments all made substantial profits and in every case were well ahead of the year preceding.

The street railway has always been the laggard among the city utilities, having never yet got to the profit point. But for the past year it brought its deficit down to nearly the vanishing point, the figures being only $2,628, as compared with $48,584 in 1921 and $200,000 in 1920. The improved condition of the municipally owned enterprises is having its effect upon the general standing of the city and is itself largely the result of careful management and better service.

WINDSOR TAX RATE

Although the city assessment has been increased by $3,000,000, this will not be sufficient to offset added expenditures at Windsor, Ont., and a higher tax rate is in prospect. There are heavy debenture payments for local improvements to be made during the year.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Feb. 27	Selkirk, Man.	Nesbitt, Thompson & Co.	6 %	20 yr.	$10,000	105.84	
Feb. 19	Trail, B. C.	Royal Financial Corp.	6 %	20-yr.	$70,000	105.84	
		CORPORATION					
Feb. 27	Provincial Paper Mills	United Financial Corp.	6 %	18 yr.	395,000	99.	6.10

We offer
DOMINION STORES, LIMITED
8% Cumulative Class "A" Preferred Shares
Price: 100.00, Carrying a 25% Bonus of Common Stock.
This Company is the largest retail distributor of groceries in Canada, operating 190 stores. Plans call for over 50 new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.
HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

We sell, quote and buy Unlisted Securities
Write or telephone us
BALFOUR, WHITE & CO.
LIMITED
Investment Bankers
136 St. James St., MONTREAL
Main 1516, 1517, 1518.

BURNETT, PORTEOUS & CO.
STOCK & BOND BROKERS.
MEMBERS MONTREAL STOCK EXCHANGE
17, ST. JOHN STREET, MONTREAL,
TELEPHONE MAIN 8385-6

FOUNDED HB 1883
St. Maurice Power Co., Limited
6½%
First Mortgage Bonds
Due Feb. 1, 1953.
Payable in Canada and New York
The Company's operating and maintenance expenses, as well as the interest and sinking fund of the bonds, are provided for by the development of 120,000 Electrical H. P. to be sold under contract to the Shawinigan Water & Power Co.
Price 102 and Interest to Yield 6.35 per cent.
Write us for full particulars of this attractive investment.
HANSON BROS.
Investment Securities
160 St. James St. Montreal 63 Sparks St. Ottawa

Bonds to Pay
interest as follows:
5.50%
5.65%
6.35%
7.35%
A good list to choose from.—Send for particulars.
McLEOD, YOUNG WEIR & CO.
Limited
TORONTO · MONTREAL
23 JORDAN ST. 40 HOSPITAL ST.

We own and offer
8% Convertible Debentures
MOUNT ROYAL HOTEL COMPANY, LIMITED
Denominations:
$100, $500, $1,000.
Partial Payment Plan, if desired. Interest payable in New York and Montreal.
Price on application
CREDIT-CANADA
LIMITEE
145 St. James St., Montreal
HON. H. B. RAINVILLE, President.

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Leading Life Company of the Dominion
Assurances in Force - $630,000,000
Assets - - - $170,000,000
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

1922 RECORD YEAR FOR THE MUTUAL OF CANADA 1922
Favorable mortality, decreased expense rate, and a high interest rate on investments combined last year to produce surplus earnings of
$3,040,273.98
A result unprecedented. After providing for all liabilities on a reserve basis higher than called for by the statutes and after putting aside a special investment reserve of $611,776.34, there remains a general surplus fund of
$6,603,718.60
Every dollar of which is the property of the policyholders and will be used for their exclusive benefit.
Assets $53,605,630. December 31st, 1922. Assurances $246,486,654.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO - - ONTARIO

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
Policies Issued from $500 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

Shrewd Financiers
recognize the value of Life Insurance as a protection for their Investments and Business Interests.
The Dominion Life
a well-established, strong, progressive Canadian Company issues policies to meet every need.
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MERCHANTS CASUALTY
Accident and Sickness Automobile (Non-tariff)
We issue the most up-to-date policies, and give every policyholder a highly considerate service.
Test the truth of this with your next policy.
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In Maritime Provinces, to secure funds for first Mortgages.
Guaranteed rate of interest. Write for full particulars.
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Established 1912
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Shield your wife from worry about the future with an IMPERIAL MONTHLY INCOME POLICY
The IMPERIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE TORONTO

INSURANCE FOR BUYER AND SELLER

SUCCESSION DUTY OF B.C. AND BOND DECISION IN ONE

Supreme Court of Dominion Gave Important Finding

By M. L. HAYWARD.

In the recent case of the United States Fidelity Company vs. the King, decided by the Supreme Court of Canada, and just reported in the official reports, the court dealt on the interesting phase of the Succession Duty Act of British Columbia.

In this case the evidence showed that a Mrs. Quagliotti died leaving a will by which she gave all her estate to her husband, the property being worth about one million dollars, consisting of land in the City of Victoria, except $500 worth of personal property.

As required by the British Columbia law, Quagliotti, the husband and executor, gave a bond of the United States Fidelity Company to secure the payment of the Succession Duty under the British Columbia law, the condition of the bond being that Quagliotti, the executor, would pay to the Province of British Columbia any Succession Duty to which the property and effects of his deceased wife, going into his hands, should be found liable under the provisions of the British Columbia Succession Duty Act.

The Succession Duty was taxed at $44,287, which Quagliotti and the United States Fidelity Company refused to pay.

"The bond says that we're liable for the Succession Duty on the estate which came in Quagliotti's hands, but that means the estate which came into his hands as executor of the will," the Fidelity Company argued.

"Well, about a million dollars worth of the property came into his hands, and you're bound to pay," the province retorted.

"Yes, but he received it as devisee under his late wife's will, and not as executor, so we're not liable on our bond. You and Quagliotti can fight it out between you," the Fidelity Company argued.

The British Columbia courts decided in favor of the province, and on appeal to the Supreme Court of Canada a majority of the Court, three judges against two, held that the Fidelity Company would be liable on the bond only where the property came into Quagliotti's hands as executor.

"As real estate, the property in question came into the hands of Quagliotti, not as executor, but only as devisee of his wife. In interpreting the statute and the bond, in my opinion, the adventitious circumstances that Quagliotti was both executor and devisee must be put aside and the position of the executor and his surety considered as if the devisee of the property had been to another person," says Judge Anglin.

Then it was argued that as the British Columbia Succession Duty Act gives an executor power to sell enough of the real estate covered by the will to pay the Succession Duty, the real estate is thereby deemed to have "come into the hands" of the executor within the meaning of the bond, but the court, on the same division, decided that the Surety Company was not liable on this ground.

"But it is surely a non-natural construction of the language to hold that property has come 'into the hands' of an official or person charged with the performance of duties merely because by statuory enactment he has been endowed with authority to sell for the purpose of paying a public charge upon it, an authority which has never been exercised. I think the construction is not an admissible one," said Judge Duff.

"Yes, but the company's liable on the bond as a plain guarantor," the province contended, and the court upheld this view.

"If we apply a little general knowledge of the world and the business therein, we must assume that the Company was paid on the basis of the amount involved in this bond as guarantor and not otherwise, and that it certainly did not intend to be taking the money paid it for doing nothing but writing out the bond and application therefor, which would be the case if its present contention that there never was any liability incurred be correct," said the court.

The result of the case was that the Fidelity Company was held liable on the bond and had to "come across" with the Succession Duty.

AMEND INSURANCE ACT

A bill to amend the Ontario Insurance Act is now before the legislature awaiting second reading. It provides that every policy issued by a fire insurance company must be approved by an agent of that company who is a resident of the province and who holds a license of authority from the superintendent of insurance for the province. The agent must countersign the policy.

INDUSTRIAL MORTGAGE

Although earnings showed some decline last year, the Industrial Mortgage and Savings Co. was able to show an increase in net profits. Dividends were increased from eight to nine per cent.

Profit and Loss

	1922	1921	1920
Earnings ..	$176,846	$177,560	$165,676
Expenses ...	104,283	106,451	89,191
Net profits .	$ 72,563	$ 71,109	$ 76,485
Bal. for.	398	88	742
	$ 72,961	$ 71,197	$ 77,227
Dividends ..	57,150	50,800	57,138
Reserve	15,000	20,000	20,000
Balance	810	398	88

Loan on Life Policy Saved This Business

"Have you no life insurance? Could you not get a loan on your policy, to tide you over the difficulty?" said a Toronto banker to his customer one day when the latter applied for a temporary loan or overdraft. "Why certainly I have—I never thought of that. How much can I borrow on my $20,000 twenty-year life policy?" The banker told him, and he got the cash, without any publicity or seeking for endorsers, that enabled him to liquidate the maturing debts, snap up an available cash bargain, and continue prosecuting his business to a very successful issue.

HOW INSURANCE COMPANIES PAY TO THE PROVINCES

A Summary of Levies by the Legislatures Across Canada

The insurance companies contribute very largely to the revenues of the various provinces of Canada. The general principle applied in the taxation of these companies is the levying of a percentage on the gross premiums, usually graded according to the class of insurance business. British Columbia, however, taxes gross income and Prince Edward Island levies a stated amount. In considering gross premiums exemption is made in case of reinsurance, etc., in order to avoid double taxation, also in the case of mutual companies only cash premiums are taxed. Following is a summary of the taxes levied on insurance companies in various provinces as prepared by the Citizens' Research Institute of Canada:

PRINCE EDWARD ISLAND:
A Fire Insurance company having a principal office without the Province $200
Principal office within the Province...$100
Life Insurance company, principal office not in the Province $300
Accident Insurance company, principal office not in the Province..........$ 75
Guarantee Insurance company, principal office not in the Province.......$ 50
Combined Accident and Guarantee, principal office not in the Province $100

NOVA SCOTIA:
A tax on the gross premiums of.......2% with a minimum tax of $100.

NEW BRUNSWICK:
(1) Upon all companies which hold a license under Insurance Act of Dominion of Canada to do business throughout Canada, as follows:
Fire Insurance company—On gross premiums received in the Province, 2%, with a minimum of $100.
Life Insurance company—A tax of $100, and in addition thereto a tax of 1½%, on the gross premiums within the Province.
All other Insurance companies—2% on the gross premiums, with a minimum of $25.
(2) If company incororated in a Canadian Province but not licensed under the Dominion Act, a tax of 2% on gross premiums, with a **minimum of $25.**
(Note: In N.B. the expression "net premium" is used in the same sense that "gross premium" is in the other Provinces, so that gross has been used above in order not to create confusion.)

QUEBEC:
Life Insurance company—On the gross premiums received within the Province a tax of 1¾%, with a minimum of $400.
All other Insurance companies except Marine and Mutual, 1% on gross premiums, with a minimum of $250.
Marine Insurance—A tax of $250.
Mutual companies as stated in the general heading.

ONTARIO:
Life Insurance company—On all gross premiums received in the Province..1¼%
All other Insurance companies—On gross premiums received in the Province..1 %
(Note: Ontario and Quebec have a provision to permit the increase in their taxes against a company incorporated in any other Province or Country if said Country or Province discriminates against an Insurance company incorporated in Ontario or Quebec respectively).

MANITOBA:
On all gross premiums received in the Province .... .2 %

SASKATCHEWAN:
On gross premiums received in the Province graded as follows:
Where gross premium is less than $50,000 ....1 %
Where gross premium is $50,000 but less than $100,000 ....1¼%
Where gross premium is $100,000 but less than $150,000..............1½%
Where gross premium is $150,000 but less than $200,000 ....1¾%
Where the gross premium is $200,000 or more ....2 %
If the company has an authorized capital of $100,000 or less there is a minimum tax of $100. If this capital is over $100,000 this tax is $175.
There is an additional tax of 40c. on every $1,000 if company lends or invests money over and above $25,000 in the Province.

ALBERTA: Legislations being revised.

BRITISH COLUMBIA:
2% on gross income, as in Trust Companies.

TRUST LAWS ARE STIFLING BUSINESS IN UNITED STATES

Senator Dealt With Point Now Prominent in Ontario Courts

In view of the action of Attorney-General W. E. Raney against the wholesale grocers, the declaration of Senator W. H. King, Utah, that the application of anti-trust laws has done as much to stifle as to ensure and protect competition, is not without value. The senator at the time was talking to New York wholesale grocers. He pictured the ideals of the country and then showed how public apprehension and suspicion have threatened the extinction of these ideals with reference to business and freedom of business action.

Senator King would have no devouring Frankensteins in government life, neither in economic and industrial life. Organization and co-operation, the bringing together of groups of individuals, various organizations and capital and resources, great and powerful, may be done. Generally beneficial results would flow therefrom, providing individual rights are respected and the principles of justice and morality observed.

Senator King contended that the history of his country demonstrates the benefits that flow from a recognition of the rights of individuals and a proper regard for their relations to the political and industrial institutions surrounding them. He attacked those who would so change industrial and economic life as to destroy individual initiative and reduce to the dead level of uniformity the great mass of the people. They would superimpose upon a deadly paternalism or a destructive socialism.

"There are many students of our economic life," he continued, "who perceive dangerous clouds in the sky and sinister forces operating which menace the freedom of individuals, industrially and politically. Indeed, it may be said that if the industrial freedom of individuals is destroyed, their political freedom may meet a similar fate. Political liberty is closely related to industrial freedom.

"The Sherman anti-trust law was in response to an almost universal demand that monopolies and combinations in restraint of trade should be curbed and their power for evil minimized, if not destroyed. In the face of this law, the Federal Trade Act and the Clayton Act, capitalistic combinations and of criminal conbinations which have stifled competition in the view of many persons, are more powerful today than ever before.

"I warn the captains of industry and organizations which have to do with the manufacture or sale of distribution of the commodities and products of the American people that they must not combine to restrain trade, to prevent competition and to secure inordinate profits. The American people have passed through a period of profiteering, and millions of them have been the victims of illegal cmobinations and of criminal conspiracies to either maintain or to advance prices to the injury of the masses of the people.

"If Socialism shall develop in this country it will be largely due to unjust legislation, to the improper use of large capitalistic holdings, the growth of monopolies and the formation of conspiracies and combinations to destroy competition and to crush the small producer or manufacturer.

"There is no objection upon the part of the people to capital receiving not only fair, but handsome rewards for its employment. The American business man, especially the business men controlling large capital, if wise and patriotic, will be satisfied with reasonable returns upon their investments."

BATHURST COMPANY

It is expected that the first machine will be turning out paper by June next at the new plant of the Bathurst Company, recently financed by the sale of bonds. Work was started in October last and excellent progress is being made. The initial capacity of the mill will be about 55 tons daily and provision has been made for a further extension to manufacture 110 tons daily.

Insurance Provides Funds That Rescue Many Business Houses

Frequently Enables One Partner to Take Full Control and Avoids Forced Sale of Enterprise Perhaps at a Loss

Not long ago the senior member of a city partnership, having reached the age of 65, desired to discontinue active business, and sought how best to withdraw entirely. Fortunately his partner held an endowment life insurance policy which would mature in less than a year. Thus the funds were forthcoming to enable him to purchase the retiring partner's interest, without the alternative of forcing the sale of the business at a sacrifice. It also permitted him to guide the destiny of the well-established mercantile house unhampered by an aged partner who was in danger of becoming ultra conservative.

Of course insurance is often taken on the lives of each partner, payable to the others, to provide a fund sufficient to purchase any partner's interest in case of his death, thus averting the loss from either a sacrifice sale or a dissolution. A case in point, that of Brown, Smith and Jones, dry goods merchants: At the decease of Mr. Brown, head of the firm, the surviving partners were willing to continue the partnership with the heirs, who however, did not possess the requisite ability, and the experiment proved a failure. Some heirs were too progressive, and overstepped the bounds of good management, resulting in losses to the firm; others were too conservative and in certain departments the business fell off, went back, and gradually the partnership threatened to die out. It therefore became desirable and necessary, from the standpoints of both the heirs and surviving partners that the partnership should be discontinued, which was eventually done.

In times of financial depression the bank may be unable to extend further credit to business customers whom they know are financially solvent. The banker may also have the utmost confidence in the integrity and ability of the executives of a business, but will he or they live long enough to liquidate fully the existing indebtedness, is the question to be answered convincingly. In case of their death personal ability and honesty cannot be left behind, hence collateral security must be forthcoming. In such a stringency the sale of securities or other tangible assets could only be made in time to serve the emergency at a sacrifice more or less disastrous; but, the reserve on life insurance policies affords a ready means of obtaining cash without loss. This is why it is claimed that in such a situation there is only one sure way known of satisfying the obdurate creditors and this is by possessing the asset called "Business Life Insurance."

Another common, but very important purpose for which business insurance may be utilized is to compensate an organization for the financial loss entailed by the death of an official expert, manager, or employee, who cannot be immediately replaced. Through business insurance the necessary funds are provided to offset a reduction in profits due to his death, and to pay the expenses of training a successor. Thus the period of adjustment may be bridged over without financial loss to the organization. Larger volumes of business insurance are being written every year, as more and more business men see the necessity of securing it as the best safeguard to their business success.

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Limited
Insurance General Agents, Fire, Hall, Automobile, Miscellaneous.
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Fire, Marine and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Ltd. Col. Henry Brock; Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over $52,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851.
HEAD OFFICE, TORONTO, ONT.
Losses Paid Since Organization
$84,000,000.00
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THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

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Consult us before extending credit or if customers are delinquent.
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CREDITORS REFUSED TO PAY: THEY LOST

Ten Thousand Policy Thus Declined Was a Claim Within 60 Days

The world is full of lost opportunities. The creditors of a certain business house located in Toronto, recently found this out. Things were in a bad shape. They were going over matters when an insurance man called attention to the fact that a $10,000 policy on the life of the merchant had expired, and wondered if the creditors would take up the renewal as a protection. The premium was $700. They declined.

The agent went to the merchant and asked if he could not raise the cash, and to make a long story short, the agent agreed to carry the policy for the merchant for the year. He paid the premium.

Sixty days later the merchant died. His wife, not the creditors, got the $10,000.

HAMILTON'S DEBT

Hamilton's gross debt at the present time is approximately $18,150,233.33. The gross debt is considerably higher than the net debt, by which the prosperity and financial status of a city is determined.

By increasing greatly the spending activities the city will be brought dangerously close to, if not above, the maximum tax rate of .25 mills, exclusive of local improvements and education. Last year the rate was 24 mills, $135,000 from the maximum.

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL **TORONTO** **WINNIPEG**

How he sells bonds and stocks

–by Long Distance

A salesman for a well-known Toronto house writes that he sold $275,000 of securities in one week by Long Distance telephone, telephoning from a Public Telephone station at the most central point in his district. This included one sale of $50,000 of Victory bonds.

Bond and Stock dealers are among the most progressive and persistent users of Long Distance to make sales economically.

FRANK KENNEDY,
Manager.

THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance Station.

Efficient Service at Moderate Cost

THE STERLING TRUSTS CORPORATION

W. H. WARDROPE, K. C. .... President
A. W. BRIGGS, K. C. .... Vice-President
NORMAN SOMMERVILLE, K. C. .... Vice-President
CHAS. BAUCKHAM .... Managing-Director

12 King St. E., Toronto. **Branch Office—Regina: Lorne Johnson, Manager.**

When selecting a Trust Company as an Executor choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,212,725

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE, WINNIPEG
BRANCHES, SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

5½% Interest Return

INVEST YOUR SAVINGS

in a 5½ DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

FRED HAMILTON REAL ESTATE

City, Farm and Suburban Homes.

We can give you anything you require.

Sun Life Building **Hamilton, Ontario**

MINING ENGINEERS TO DISCUSS FUEL

Will Consider the Utilization of Supplies of Coal and Peat in Canada

From Our Own Correspondent.

MONTREAL.—When the Canadian Institute of Mining meets in Montreal on March 7, 8 and 9, one of the most important problems that will be discussed will be the question of Canadian fuel supply. It has been arranged that many Canadian mining engineers will take part in the discussion and American specialists in coal mining have also been invited to attend and present papers.

It is felt that the fuel problem is essentially an engineers' problem, and mining engineers have been working closely with the Dominion Fuel Board of the federal government to work out the problem involved. The result of the board's investigations will probably be presented at the mining meeting.

It is pointed out that the only native fuels in the central part of Canada are wood and peat. Of these two, peat is by far the largest source, in fact, the amount of potential peat fuel available in Ontario and Quebec approaches a magnitude seldom available from a coal field. The problem is to turn the bog, consisting of 95% of water, into fuel containing only 20% of water. This is merely a mechanical problem, according to W. M. Goodwin, editor of the Canadian Mining Journal. It is almost solved.

At the meeting, will also be discussed the problem of displacing United States coal in Canadian communities that are near coal mines.

IMPERIAL OIL CO. STILL HOPES TO SUCCEED IN WEST

Three Years' Exploration Failed to Produce Tangible Results

PERU TO THE FORE

Company Met With Great Success With New Wells—South America Outlook Very Bright

From a national point of view, the drilling operations being carried out by The Imperial Oil in Western Canada are of decided interest despite the fact that to date they have been baren of results. From a financial point of view, the shareholders will view with considerable satisfaction the great results that are being obtained by the operations in South America and Peru. In the latter country production in 1922 reached a total of 4,386,938 barrels as compared with 2,825,579 in 1921. The company has now 980 producing wells in Peru. In 1922 there were 138 drilled and 104 of these proved to be producers. Besides this the proven oil-bearing area has been extended within the company's holdings.

Pres. C. O. Stillman, dealing with general conditions in his annual report to the directors, stated that from a financial standpoint the results of the operations for the year may be regarded as satisfactory, although they are not proportionately greater than those of some previous years. In cosideration of its earning powers it must be remembered that Imperial Oil, Limited, through its subsidiary, the International Petroleum Company, is in receipt of considerable income from operations in South America. These earnings augment its ordinary revenues and are not dependent upon domestic conditions.

The remarkable productiveness of the American oil fields during the year, which partially offset a decline in the imports of Mexican petroleum, resulted in unusual fluctuations in market values, which have tended to encourage the establishment of a number of new enterprises engaged in the marketing and distribution of petroleum products.

Will Continue Effort

Though the three years effort in the west has not been productive of any tangible results, the president's remarks indicate that the pioneer work of the company is to be continued. He says they are still carrying on practically single-handed the exploration of the potential petroleum resources of the country. At the same time it is pointed out that the use of the capital thus employed in foreign petroleum fields offered much more assurance of profitable returns. In these foreign fields, particularly in the United States, from which some companies are producing the petroleum marketed by them in this country, attractive opportunities were presented, but the Directors considered, and still consider it their duty to prosecute the search for a domestic supply of this valuable natural resource. That the third year of its active drilling operations has ended without tangible result, and that a large expenditure of capital in the west has as yet proved unproductive has not lessened the conviction that the search for oil in this country was a duty which could not have been avoided, and a quest which is not yet without hope of success.

Mr. Stillman states that a part of the geological theories in regard to the West have been partially exploded. This is true of the idea that a line or lines of major foldings underlie the central plains of the west forming suitable structure for oil accumulation within convenient reach of the drill. This has to some extent been discounted by drilling at various locations from the international boundary north to Township 45. A large area has been tested and six wells have been abandoned after reaching considerable depth, three in Saskatchewan and there in Alberta.

In the Foothills

However, there are areas where structural conditions are more pronounced, the outer range of the foothills of the Rockies, in which a number of small producing wells had been previously brought in the general neighborhood of Calgary, but no more satisfactory results were obtained though drilling continues. The company has a successful venture at Black Diamond, where the wet gas from three wells, two drilled by the Calgary Petroleum Products and the other now being drilled by the Imperial Co., and at a present depth of 2829 feet, is treated by the absorption process before being passed into the gas mains at Calgary. There is also a small production of oil from the two original wells but drilling has not been successful in this respect so far. Our first well, however, is being deepened, and the second has reached a depth of 1085 feet. The most recent drilling operation has been at Red Coulee, in the area which has lately come into prominence through the Kevin-Sunburst development, just across the American boundary. Here drilling difficulties have been encountered at 1360 feet, and no definite result has been possible.

Dealing with operations at Fort Norman, the president stated that the discovery well is now down to 951 feet, and is producing 75 barrels daily. Three others are being drilled.

The success which the subsidiaries are meeting with in South America, offset in a measure the failure in the west. Development in Colombia is still in the initial stages, yet these operations resulted in a gross production of petroleum of 322,784 barrels. The refinery at Barranca has been running 750 barrels of crude oil daily.

The average daily production in Peru increased from 7,741 barrels in 1921 to 12,019 barrels in 1922, and development continues.

HOLLINGER'S NET PROFITS ARE UP MILLION DOLLARS

Great Gold Producer Materially Increased 1922 Earnings

Hollinger mine, handling over 4,000 tons daily in 1922 made a gross profit of $6,478,604, which is $1,400,000 higher than in the previous year. All the way down the line the premier gold producer of the continent shows a general all round increase except in the average value of the ore treated. With the increase in the tonnage a lower grade of ore was put through the mill on the average, running $53 as compared with $9.67.

Despite power troubles the tonnage was increased last year by 50 per cent. over the previous year while the bullion production per month shows that the estimate of one million monthly has just been a little short, the year's total being $12,274,000.

President Noah Timmins refers to the fact that it is unfortunate that the power situation has not been settled. He outlined briefly the efforts which the company had put forth. His concluding remark on the matter was that he was anticipating early favorable action on the draft lease for the Island Portage which has been settled with the Ontario Government.

Some interesting figures will be found in the earnings table below. It will be noted that the taxes paid by the company pass the half million mark. President Timmins points out that the indirect taxation of the company amounts to even more.

The earning statement follows:

Earnings	1922	1921
Production ...	$12,274,114	$10,031,050
U. S. premium	167.901	......
Other earn. ..	382,591	283,464
Total	$12,824,608	$10,314,515
Earnings Disposal—		
Gen. charg. ..	522,136	459,827
Mining charg..	4,071,583	3,194,844
Milling charg..	1,752,284	1,568,183
Total	$ 6,346,004	$ 5,222,855
Oper profit ..	$ 6,478,604	$ 5,091,659
Less taxes ...	518,223	429,889
Depreciat'n, etc	1,331,913	1,064,732
Net profit ...	$ 5,146,690	$ 4,026,927
Less divs. ...	$ 3,198,000	$ 3,198,000
Add to surplus	$ 1,948,690	$ 828,927

The Hollinger now places its assets at $32,114,228 after making fairly generous provision for property depreciation. The surplus in the treasury now stands at $5,900,000, while the gross surplus at the end of the year was $9,974,000.

The figures follow:

	1922	1921
Assets—		
Properties ...	$24,178,249	$22,550,468
Current	7,376,262	6,042.794
Bullion	559,717	553,265
Total	$32,114,228	$29,146,529
Liabilities—		
Stock	$24,600,000	$24,600,000
Current.	$ 416,009	$ 585,749
Total surplus ..	$ 9,974,119	$ 7,893,366
Net carried for..	$ 5,909,469	$ 3,960,779

The tonnage for the year with the average costs and values are given below:

	1922	1921
Tons milled	1,491,381	1,072,493
Tons per day ..	4,097	2,938
Gross value	$12,726,549	$10,367,901
Less tails. lost	452,435	336,850
Net value rec. ..	$12,274,114	$10,031,050
Aver. per ton ..	$8.53	$9.67

Costs are moving down slowly. The tendency in this regard should be accelerated in the future when the company makes the proposed material increase in tonnage, and with the price of commodities still in the levelling process. The figures follow:

Operating Cost—	1922	1921
General	0.3501	0.4287
Mining..	2.7301	2.9789
Milling	1.1749	1.4622
Total	4.2551	4.8698

Vein 97 on the 425-ft. level is the only one commented on as among the spectacular, or as the report says "notable" discoveries of the year.

General Manager A. F. Brigham, says that several hundred feet of drifting discloses a strong vein of exceptional values. The ore reserves show that the average values are 30 and that estimated gross value of the vein as opened is $674,029. Vein No. 84, however, is the leader. It averaged $17 ore and is valued at $5,303,000. Manager Brigham calls attention to the fact that the important increases in tonnages are in veins of medium grade ore. He also calls attention to the fact that greater development work will be necessary this year to prepare for the increase in tonnage.

The ore reserves follow:

Veins	Total	Tons	Aver. Per ton Val.	Est. Gross Dec. 1922
Over $10	22	1,321,934	13.10	17,320,114
$10 to $8	24	1,992,192	8.96	17,856,981
8 to 6	10	76,619	7.32	560,778
Total	56	3,390,745	10.54	$35,737,873
Prob. over in veins under $6		1,007,797	5.30	5,348,594
Surface out crops		209,681	10.41	2,183,360
Total		4,608,223	$9.39	$46,269,827
1921 Estimate was		4,392,917	9.72	42,716,027

FIRST IN THE NORTHWEST

Property in Trust

An Estate removed from the control of the original owner by his death or incapacity, requires expert care, or it may suffer loss through mismanagement. As Trustee under will or by appointment the Northwestern Trust Company is better qualified and equipped for such duties than an individual. We will gladly explain to you our exceptional facilities and the advantages of setting aside a portion or all of your estate in trust for your heirs.

226

NORTHWESTERN TRUST COMPANY

H.R.S. McCABE, *MAN-DIR.*
J.F.C. MENLOVE, *PRES. AND GEN-MAN.*
F. O. MABER, *SEC-TREAS.*

NORTHWESTERN BLDG. 166 DONALD ST., WINNIPEG CAN.

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE THIRD DAY OF APRIL

next, to Shareholders of record at the close of business on the fifteenth day of March.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, February 21st, 1923.

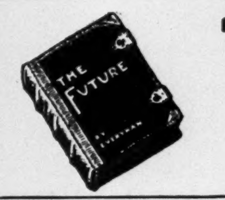
BRITISH CONSOLS CIGARETTES

Please! They are easy on your throat

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

DRUMMOND BLDG., MONTREAL

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction



"The Future"

BY

EVERYMAN

(Reviewed by the Canada Life)

You All Know the Title.
Briefly, Here is the Story:

Experience

shows that of 100 average healthy men 25 years of age the following facts will be true at sixty-five years of age:

ONE only will be wealthy.
FOUR will be well-to-do.
FIVE will still be working for a living.
THIRTY-SIX will be dead.
FIFTY-FOUR will be dependent upon friends, relatives or charity.

In View of These Facts

Can you afford to lightly regard the Future when a small deposit set aside regularly each year will guarantee you in cash at age 65 the sum of

$2,000 **$5,000** **$10,000**

or more, depending upon your ability to save?

The Endowment at 65

issued by the Canada Life will solve the problem of your Future and guarantee a happy ending to your life story.

It is a Certainty

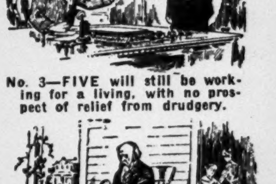
The full amount of your policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. This is a certainty. The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Whatever your circumstances may be later on in life, you will welcome a fund of a few thousand dollars. You may need it then.

What Happens to 100 Average men of 25 upon reaching age SIXTY-FIVE.

No. 1—ONE only will be wealthy.

No. 2—FOUR will be well-to-do and able to enjoy comfort and recreation.



No. 3—FIVE will still be working for a living, with no prospect of relief from drudgery.

No. 4—FIFTY-FOUR will be dependent upon friends or relatives or charity.

Ask for particulars of this policy

Canada Life
Assurance Company
HEAD OFFICE
TORONTO, Canada

Established 1847

Canada Life Assurance Company, Toronto
Dear Sirs:—Without obligation on my part send me particulars of your Endowment at Sixty-five.
Name ....
Address ....
Age ....

12

An income of 7.60%

At 92, the 7% Preferred Stock of the Canadian Locomotive Co., Limited, yields an annual investment return of 7.60%. The stock is listed on the Toronto Stock Exchange. An intimate knowledge of the management, history and future of the Company permits us to recommend strongly the purchase of the preferred stock at the present market price.

Price: about 92 to yield 7.60%

Write for Special Circular 84, or send in your order to buy "at the market."

Æmilius Jarvis & Co.
Established 1891
LIMITED
Ottawa
New York
293 Bay St.
Toronto
Montreal
London Eng.

THE FIFTY-FIRST ANNUAL MEETING
Of the Shareholders of
THE HAMILTON PROVIDENT AND LOAN CORPORATION

The Fifty-first Annual Meeting of the Shareholders was held at the Corporation's Head Office, Hamilton, at noon on Monday, February 26th, 1923.

The net profits for the year, after deducting interest on borrowed capital, cost of management and all other charges, amount to $184,994.37. To this had been added $7,959.86 withdrawn from the Contingent Fund, making a total of $192,954.23.

Which has been appropriated as follows:

Two half-yearly dividends at the rate of ten per cent. per annum		$ 120,000.00	
Government, Business and War Taxes		22,954.23	
			$ 142,954.23
Added to Reserve Fund			50,000.00
			$ 192,954.23
ASSETS			
Office premises in Hamilton and Brandon			$ 93,000.00
Real estate held for sale			12,395.00
Mortgages—			
Principal		$4,231,119.46	
Interest		197,057.44	
			4,428,176.90
Loans on Corporation's own stock			7,481.00
Dominion of Canada and Province of Ontario Securities owned		$ 185,265.30	
Canadian Municipalities and School District Debentures owned		94,835.05	
			280,100.35
Cash in Chartered Banks			89,284.12
Cash on hand			7,879.07
			$4,918,316.44
LIABILITIES			
To the Public—			
Debenture Stock		$ 372,786.66	
Sterling Debentures		503,358.62	
Currency Debentures		396,208.98	
Interest accrued on Debentures		15,775.25	
Savings Deposits		927,605.25	
Provision for Income War Tax and balances due borrowers		49,300.58	
			$2,265,035.34
To the Shareholders—			
Capital subscribed	$2,000,000.00		
Capital fully paid		$1,000,000.00	
Capital partially paid		200,000.00	
Reserve Fund		1,350,000.00	
Contingent Fund		43,281.10	
Dividend (payable 2nd January, 1923)		60,000.00	
			2,653,281.10
			$4,918,316.44

GEORGE HOPE, President. **D. M. CAMERON,** General Manager.

The Directors were re-elected as follows: Messrs. George Hope, Joseph J. Greene, Henry L. Roberts, W. A. Wood, Stanley Mills and William Hendrie.

At a subsequent meeting of the Directors, George Hope was re-elected President, and Joseph J. Greene, Vice-President.

DIVIDEND NOTICE
Canadian General Electric Co., Limited
Common Stock Dividend No. 95

Notice is hereby given that a Quarterly Dividend of one and one-half per cent. for the three months ending the 31st day of March, 1923, being at the rate of six per cent. per annum, has been declared on the Common Stock of the Company.

Preference Stock Dividend No. 54

Notice is also given that a Half-yearly Dividend of three and one-half per cent. for the six months ending the 31st day of March, 1923, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividends are payable on and after the 2nd day of April, 1923, to Shareholders of record at the close of business on the 15th day of March, 1923.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, March 1st, 1923.

THE CANADA LANDED AND NATIONAL INVESTMENT COMPANY, LIMITED
DIVIDEND No. 144

Notice is hereby given that a DIVIDEND OF TWO AND ONE-HALF PER CENT. (being at the rate of ten per cent. per annum) on the amount paid up on the Capital Stock of this Company, has been declared for the quarter-year to the 31st day of March, 1923, and that the same will be payable at the office of the Company, 23 Toronto Street, Toronto, on and after the **3rd day of April, 1923,** to Shareholders of record at the close of business on the 15th day of March, 1923.

By order of the Board.

EDWARD SAUNDERS,
Managing Director.

Toronto, February 28th, 1923.

CITY OF VANCOUVER, B. C.
DEBENTURERS FOR SALE

Sealed tenders will be received by the undersigned up to 12 noon on Monday, the twelfth day of March, 1923, for the following City of Vancouver Debentures, dated 1st February, 1923, amounting to $275,000.00:

By-Law No.	Amount	Term	Purpose	Maturity
1560	$100,000.00	15 years	Streets and Roads	1st Feb., 1938
1561	100,000.00	40 years	Waterworks Extensions	1st Feb., 1963
1562	25,000.00	40 years	School Sites	1st Feb., 1963
1563	50,000.00	40 years	Sanitary Conveniences	1st Feb., 1963

all bearing interest at the rate of 5½% per annum payable half-yearly on the first days of February and August.

These Debentures are a direct obligation of the city at large. Provision can be made for registration of principal.

Alternative offers on the basis of interest and principal payable in Canada only, and in Canada and the United States, are asked for.

Parties tendering are required to state the net price for Vancouver payment and delivery of the securities. If desired delivery will be made elsewhere at the purchaser's expense.

A certified cheque payable to the City Treasurer for $5,000.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON, City Comptroller.

City Hall, Vancouver, B.C.

Evidence of a Combine to Control Lake Rates Says Commission Counsel

(Continued from Page 1)

dian Transportation Company, Limited, to be known therein as carriers, and the Standard Shipping Company, to be known therein as the brokers and shipping agent, whereby for five years the Standard Shipping Company was to have the exclusive right of chartering the boats of the Canadian Transportation Company, and this right was to extend to "all and every vessel hereinafter owned, leased or operated by the Canadian Transportation Company or any of its subsidiary companies."

Rights to Insurance

The sole remuneration which the Standard Shipping Company was to receive was the "right to place and shall have the placing of all marine insurance on all the grain cargoes carried by the carrier's boats and make its having the placing of such insurance for the shipper a term with the proposed shipper in arranging any charter party for the carrier's boats."

This agreement was signed on behalf of the Canadian Transportation Company by C. A. Barnard, president, and on behalf of the Standard Shipping Company by R. M. Wolvin, president. On the third of December, 1917, an agreement was made between the Canada Steamships Limited and the Standard Shipping Company, in the first paragraph of which it is stated that "whereas the parties hereto entered into a certain memorandum of agreement at Montreal on November fifth, 1913, under which the carrier appointed the broker its exclusive agent, etc.," clearly indicating that the Canada Transportation Company and the Canadian Steamships Limited were one and the same company. This second agreement extended the first for a period of ten years from the expiry of the original agreement, namely, until 1928, and this second agreement was signed by J. W. Carruthers, as president of the Canada Steamships and by R. M. Wolvin, as president of the Standard Shipping Company.

On October 18, 1921, a third agreement was made, the parties being the Canadian Steamships Limited and the Standard Shipping Company whereby the agreement which should expire in 1928 was further extended, this time for a period of twelve years from 1928, namely, to 1940, and carrying all the "terms and conditions of the original agreement of 1913." This third agreement was signed by J. W. Norcross, as president of the Canada Steamships Limited, and R. M. Wolvin, president of the Standard Shipping Company.

The reorganization of the Standard Shipping Company under a Dominion charter and with capital raised from $50,000 to $1,000,000 had taken place between the signing of the second and third of these agreements. Up to that reorganization, J. W. Norcross was admitted by Lee Wolvin to have been an owner in the Standard Shipping Company but was unable to state whether he had remained so after the $1,000,000 capitalization had taken place.

In addition to the ships of the Canada Steamships Limited, the Standard Shipping Company controlled, in the early part of 1922, the chartering of the Algoma line; this was shown by evidence put in by another witness.

Exhibits were put in showing that charters for the Matthews line were also made through the Standard Shipping Company in the early part of 1922, and in the fall of 1922 the Western Shipping Company was formed with a Manitoba charter and a capital stock of $50,000, divided into 500 shares of $100 each. The stock at the meeting was allotted as follows: $3,300 to Mr. Matthews, of the Matthews Steamship Company; $2,900 to Mr. Rule, manager of the Standard Shipping Company, and $3,300 to Lee H. Wolvin, of the Standard Shipping Company. The new company did business in the office of the Standard Shipping Company, Mr. Rule being manager of the new company, and his place in the Standard Shipping Company being taken by Walter Hall. The new company used the loading forms of the Standard Shipping Company, crossing out the word "Standard" and substituting '"Western." Sidney Wermig, secretary of the Western Shipping Company, claimed that the Western had not an exclusive contract for chartering the Matthews line of boats, that some of them had been chartered direct through the Toronto office.

It was shown by evidence and exhibits that at the same time the chartering committee was formed to act during the later years of the war and during the life of the Wheat Board, that the vessel brokers and agents went into it on the agreement that they were to be paid on the basis of the percentage of the chartering business that each had done during the two years prior to the forming of the chartering committee. On this basis the Standard Shipping Company received 74%.

Exhibits put in also showed that of the 96,900,000 bushels moved to the Canadian ports in 1922, 66,500,000 bushels had been moved in vessels chartered by the Standard Shipping Company and the Western while still located in the office of the Standard Shipping Company.

Extensive Control

Practically all shippers giving evidence agreed that if Canadian tonnage was to be chartered it must be through the Standard Shipping Company and Tomlinson, a very few mentioned the Western, though one or two did include it as a separate agency. The Tomlinson Company is an American firm who have the chartering of the Playfair boats, as they are generally called. Only part of this tonnage was stated to be available for the general run of shippers as Jas. Richardson, of Jas. Richardson and Sons, is a stockholder in these boats and his company is understood to have first call on a portion of this fleet.

This fleet carried 26,000,000 bushels to Canadian ports during season of 1922, and some 4,000,000 were carried in the Canadian Merchant Marine boats. There was considerable said about the manner in which these marine boats had been chartered, more than one witness claiming that they had endeavored to charter them early in the season and had been told they would not be chartered and that later they had been chartered without being advertised as available to shippers generally. As government boats, the feeling, from the statements made, was that every shipper and every vessel agent should have had an equal chance to secure this tonnage at a time when tonnage was scarce.

Favored Charters

In regard to a combine, if one exists, being able to favor one shipper over another, during the examination of Lee H. Wolvin, counsed for the commission showed him from chartering put in by the James Stewart Grain Company and the Smith-Murphy Company that from September 15 forward to October 15 they had been able to make large bookings of space whereas a number of witnesses had stated under oath that during that period they had gone daily to the Standard Shipping Company and been told that there was no space to charter. Some witnesses said that rates were not mentioned, it was a question of getting space and day after day they had been told there was none. The Smith-Murphy Company, according to their own list of chartering put in, had got space day after day, for example, 500,000 bushels September 14, 160,000 September 15 and so on day by day. Mr. Wolvin admitted these charterings meant what they said. Then on September 28 Jas. Stewart Company had chartered 2,000,000 bushels October space and 3,000,000 November space and the same day 2,000,000 bushels December space. The November space was 4c to Port Colborne. Counsel asked if it were not an advantageous contract for Mr. Stewart. Witness would not say.

The December space was winter storage at Port McNicoll and Goderich at 5½c. Of the 2,000,000 bushels of October space, Mr. Stewart had only used 1,200,000, but in November, though his contract called for 2,000,000, he had shipped 4,000,000 bushels. Witness claimed that service to Mr. Stewart had been due to his ability to give unloading dispatch at Port Colborne, but Mr. Stewart in his evidence given the first day stated that he had offered quick dispatch earlier in the season at Port Colborne as a reason for a better rate and it had not been considered.

Counsel for the commission asked many witnesses their opinion of control of space and consequent control of rates in so few hands; the replies of two witnesses are quoted. James Stewart, as one of the largest shippers of grain, said: "It is not a healthy condition in my opinion. It does not give the grain dealer very much scope for his initiative; to begin with the situation at present appears to be that there is the ocean marine aggregation fixing the rates on the ocean; then the Canadian tonnage from practical experience appears to be confined to, say, two brokers. Then working still further back, Mr. McLean and Mr. Carvell here determine the rates on wheat from the points of origin. So it appears to me to be getting too non-competitive in transportation generally."

Fred Belcher, vessel broker, with 26 years' experience, was asked what does control of tonnage mean? Is there to your knowledge any favoritism or discrimination? Mr. Belcher said: "Well, in answer to that, all I can say is the opportunity is there. It can be exercised."

The May Meeting

During the last session of the Dominion House, a question was asked as to a certain meeting in Toronto in May, 1922, at which it was rumored that an understanding had been come to between railway and steamship companies whereby rates on the lakes had been advanced. Witnesses before the Royal Commission were questioned as to this meeting. Mr. Enderby, of the Canada Steamships Limited, gave evidence that a meeting at which representatives of the various steamship lines and of the C. P. R. had been present. He did not believe anyone had been there for the Canadian National Railways. Mr. Lee Wolvin, questioned as to this meeting, stated that he had been there, having heard of the meeting from Mr. Spendlove, manager for the Tomlinson line. He had queried Mr. Enderby by wire and had been told to come. He thought no one for the Canadian National Railways had been there. Mr. Todd, of the C. P. R., had addressed the meeting. The question of rates and other matters had been discussed but he (Mr. Wolvin) could not remember that rates had been agreed on. After the meeting he had been handed by Mr. Enderby the scale of rates which he was to charter boats at for the future. This meeting had been held in Toronto, May 4.

Later, Robert Smith, vessel agent, in the course of his evidence, produced a copy of rates which he stated had been handed him in Toronto about May 12 by Mr. Matthews, of the Matthews Steamship Company. Later when having submitted an offer for a boat he had had a wire from Mr. Matthews stating he must adhere to the "agreed rates."

Mr. James Stewart, in his evidence the first day, stated that the Port Colborne rate had been hoisted to 3c just at the time when, owing to the conditions of the trade, they had expected it to drop to 2c. He "got the impression from the substance of the conversation which I had with these two respective managers (Wolvin and Spendlove) that decision had been arrived at at a conference of the Canadian vessel owners in Toronto."

Insurance

Very much time was devoted to the question of marine insurance. Stated briefly, the premiums from marine insurance are presumably the only source of revenue of the broker for Canadian vessels, the owners, excepting in rare instances, paying nothing for charters being secured for their vessels.

The vessel brokers claim they perform a very real service for the owners; shippers had no hesitation in stating that brokers could and did perform a service for the shippers, but with one or two exceptions the shippers objected to being forced to pay for this service by writing insurance through the brokers. Briefly the claim was that whereas they had to pay the vessel broker from the opening of navigation to the first of December 30c per $100 of value for insurance, they could get it from equally reliable companies at 15 to 18. Two of the very large shippers, the Bawlf Grain Company and the British Empire, do write their own insurance but they also have to pay the broker 35% of the premium he would get if the insurance was written through him. While it was not definitely so stated, the implication was that, with these exceptions, a shipper could not get space if he did not write insurance through the broker.

D. L. Smith, of the United Grain Growers, gave figures showing that had they been allowed to write their own insurance and even paying the vessel broker the 35%, they would have saved $11,000 and had they paid the broker 35% of the premium they could have secured if writing their own insurance they would have saved $29,000. Their total insurance bill for the season had been $137,000 and of this amount $51,000 had gone to the brokers.

Province of Quebec——District of Hull
CITY OF HULL

Public notice is hereby given that the Council of the City of Hull, will receive from now until the 5th day of March, 1923, at four o'clock, p.m., at the office of the undersigned, written tenders for the purchase of Debentures of the City of Hull, to the amount of $59,000.00 issued with coupons attached thereto for the interest; said issue being for the extension of the water works, payable said debentures and interest at the City Treasurer's office in the City of Hull, and issued as follows:

BYLAW NO. 231

Dated	Amount	Denomination	Maturing	Rate	Semi-ann. Int.
1st May, 1922	$59,000.00	$1,000.00	1st May, 1962	5½	1st of May 1st November

Such debentures are ready for delivery.

An accepted check representing 1% of the amount of this issue must accompany the tender.

All tenders must mention if the price includes or not the accrued interests on the coupons at the time of delivery from the 1st of May, 1922; they shall be under seal with the indication "Tenders for Debentures" and addressed to "The City Clerk, Hull, Que."

The present issue has received the approval of the Lieutenant-Governor in Council of the Province of Quebec, on the 17th day of August, 1922, and signed by the deputy minister of municipal affairs.

Given at the City Hall in the City of Hull, this 9th day of February, 1923.

H. BOULAY, City Clerk.

Free Maps
OF PORCUPINE & KIRKLAND LAKE

We have prepared new and up-to-date maps of these Northern Ontario Mining districts for free distribution.

Send for your copy to-day.

HOMER L. GIBSON
AND COMPANY
Bank of Hamilton Bldg.
TORONTO

TWIN CITY

We recommend for investment Twin City Rapid Transit Common Stock at current quotations. Lower cost of operations enabled the company to make a remarkable earning exhibit in 1922, showing an increase of 124% in earnings available for dividends.

Twenty-four years' continuous dividends—6% paid from 1910 to 1917, inclusive, 5% from 1902 to 1909. From 1909 until August, 1914, stock did not sell below par.

Average investment yield before the war about 5½ to 5¾%. Yield to-day, on 4% basis, about 6.60%. Listed on the Montreal Stock Exchange for over 24 years.

Official figures, summarized, follow:

	1922	1921	Inc.
Net income	$1,565,201	$697,304	124%
Pref. div.	210,000	210,000	.....
Avail. on stock	$1,355,201	$487,304	124%
Com. dividend	880,000	440,000	.....
Surp. for year	$ 475,201	$ 47,304	904%

(We shall be glad to execute orders for Twin City Stock).

Write for Bulletin No. 43

Dickinson & Walbank

Members of Montreal Stock Exchange
152 St. James Street, Montreal
Main 4090-4093
Kelly Dickinson, J. Y. K. Walbank, W. McLea Walbank.

Town of Cobourg
TENDERS FOR DEBENTURES

Sealed tenders, addressed to the undersigned and marked: "Tenders for Pavement Debentures," will be received until twelve o'clock noon of the 15th day of March, 1923. The Debentures run twenty years and bear interest at 5½%, payable half-yearly, and amount is approximately $181,000.00, payable in twenty annual instalments. The lowest or any tender is not necessarily accepted.

A. W. YOUNG,
Acting Treasurer.

The Bank of Nova Scotia
DIVIDEND NO. 213

Notice is hereby given that a Dividend at the rate of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st, 1923, and that the same will be payable on and after Tuesday, the third day of April next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., February 20, 1923.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of April, 1923, to shareholders of record of the 20th March, 1923.

By order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 23rd February, 1923.

THE CANADIAN BANK OF COMMERCE
DIVIDEND NO. 144

Notice is hereby given that a dividend of three per cent upon the paid-up capital stock of this bank has been declared for the quarter ending 28th February, 1923, payable at the bank and its branches, on and after Thursday, 1st March next, to shareholders of record at the close of business on the 13th day of February, 1923.

By Order of the Board,

JOHN AIRD,
General Manager.

Toronto, 19th January, 1923.

Brazilian Traction Light and Power Company Limited

(Incorporated under the laws of Canada)

PREFERENCE SHARES

Notice is hereby given that a quarterly dividend of 1½ per cent. has been declared on the Cumulative Preference Shares of the Company, payable on the 2nd day of April, 1923, to shareholders of record at the close of business on the 15th day of March, 1923.

J. M. SMITH,
Secretary.

Toronto, Canada,
February 28th, 1923.

DOMINION TEXTILE COMPANY, Ltd.
NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the outstanding Preferred Stock of **Dominion Textile Company, Limited** (old company), and of one and three-quarters per cent. (1¾%) on the outstanding Preferred Stock of **Dominion Textile Company, Limited** (new company), has been declared for the quarter ending 31st March, 1923, payable April 16th, to shareholders of record 31st March, 1923.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1923.

DOMINION TEXTILE COMPANY, Ltd.
NOTICE OF DIVIDEND

A dividend of three per cent. (3%) on the outstanding Common Stock of **Dominion Textile Company, Limited** (old company), and of one dollar ($1.00) per share on the outstanding Common Stock of **Dominion Textile Company, Limited** (new company), has been declared for the quarter ending 31st March, 1923, payable April 2nd, to shareholders of record 15th March, 1923.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 28th February, 1923.